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THE ROYAL COMMISSION ON METROPOLITAN DEVELOPMENT OF EDMONTON AND CALGARY

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PROCEEDINGS

DATE January 10th, 1955

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The Court House
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VOLUME 22

January 10th, 1955.

INDEX

WITNESSES:

ANDREW DANIEL SLAGHT

Examination by Mr. Steer 2687
Presentation of brief 2688
Examination by Mr. Steer 2697
Examination by Mr. Moffat 2702
Examination by Mr. Brownlee 2706
Examination by Mr. Davies 2708
Examination by Mr. Hayes 2718
Examination by Mr. Robison 2718
Examination by Mr. Steer 2724
Examination by Mr. Macdonald 2725

E. R. LEWIS

Examination by Mr. Steer 2726
Examination by Mr. Davies 2726
Examination by Mr. Robison 2728
Examination by Mr. Davies 2733
Examination by Mr. Robison 2738
Examination by Mr. Brownlee 2739
Examination by Mr. Hayes 2741

A.D. McTAVISH

Examination by The Chairman 2743
Presentation of brief 2744
Examination by Mr. Macdonald 2751
Examination by Mr. Moffat 2758
Examination by Mr. Davies 2763
Examination by Mr. Robison 2767
Examination by Mr. Davies 2768
Examination by Mr. Robison 2772
Examination by Mr. Hayes 2779
Examination by Mr. Brownlee 2783

Presentation of Beverly Bus Lines Ltd. Brief 2785

GORDON C. McLEOD

Presentation of brief 2797
Examination by Mr. Moffat 2806
Examination by Mr. Robison 2807
Examination by Mr. Davies 2809
Examination by Mr. Blackstock 2813

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VOLUME 22

January 10th, 1955

EXHIBITS

No.	Description	Filed at
138E	Submission of Ratepayers of Divisions 1 and 2 of the M.D. of Stony Plain	2688
139E	Map showing the division of M.D. of Stony Plain	2688
140E	Map with alteration taking effect April 3, 1955	2701
141E	Edmonton Chamber of Commerce brief	2744
142E	Further brief on behalf of Beverly Bus Lines Ltd.	2787
143E	Brief of Diamond bus Lines Ltd. ...	2797

THE SITTINGS OF THE ROYAL COMMISSION ON METROPOLITAN DEVELOPMENT OF CALGARY AND EDMONTON, held at the Court House, Edmonton, Alberta on Monday, the 10th day of January, A.D. 1955, at nine forty five a.m.

(Mr. Blackstock appeared as Chairman at this hearing pro tem.)

THE CHAIRMAN: Are you ready to go ahead, Mr. Steer with your submission?

MR. STEER: Yes.

THE CHAIRMAN: On behalf of the ratepayers of Divisions 1 and 2?

MR. STEER: Yes, Mr. Chairman. Mr. Slaght, will you take the stand.

ANDREW DANIEL SLAGHT, having first been duly sworn, testified as follows:

MR. STEER QUESTIONS THE WITNESS:

Q Mr. Slaght, you are a councillor elected by the ratepayers of Division 1 of the Municipal District of Stony Plain?

A Yes, sir.

Q And together with William Albrecht and Mr. Lewis you have prepared a submission on behalf of the ratepayers of Divisions 1 and 2 of that municipal district?

A Yes.

Q Would you tell me, please who Mr. Albrecht is?

A He is the elected Councillor of the division 2 of the Municipality of Stony Plain.

Q And who is Mr. Lewis?

A He is a ratepayer in Division 1, and also a member of the Interim Development Board.

Q He resides in Division 1, is that right?

A Yes.

Q Would you tell me please at whose instance this brief was prepared?

A Well, we had several meetings, farm meetings, Service Rights Association we have out there, the Protective Association we had several meetings with them, and everybody in that area seemed to think that we should try and get a submission into this Commission.

Q And have you a map showing the divisions in the Municipal District as they stand at the present time?

A Yes.

Q May that be filed, Mr. Chairman?

THE CHAIRMAN: Well, I think Mr. Steer, we should number the brief first.

MR. STEER: Very well, sir.

THE CHAIRMAN: That will be 138?

MR. McGRUTHER: Correct.

THE CHAIRMAN: E.

BRIEF AS DESCRIBED IS MARKED 138E.

THE CHAIRMAN: And the map will be 139E.

THE MAP AS DESCRIBED IS ENTERED AND MARKED AS EXHIBIT 139E.

MR. STEER: Would you please go ahead with the Brief, then?

A "This submission is made by Andrew Slaght, Councillor elected from Division 1 of the Municipal District

A (Cont.)

"of Stony Plain, William Albrecht, Councillor elected from Division 2 of the Municipal District of Stony Plain and E.R. Lewis, a ratepayer residing in Division 1.

The Municipal District of Stony Plain covers an area of approximately 800 square miles, it is 60 miles long and has a present population of 10,300 people. It is divided into 5 divisions numbered 1 to 5 inclusive, each division electing 1 Councillor to the Municipal Council.

Divisions 1 and 2 are the two most Easterly Divisions of the Municipal District. They lie directly West of the City and are the Milk Shed on that side of the City.

These two Divisions contain approximately one-third of the population of the whole Municipal District i.e., about 3,400 people and occupy about one-quarter of its whole area. By reason of their close physical proximity to the City of Edmonton and by reason of the fact that their area comprises, as has already been said, the Milk Shed lying to the West of the City the people residing in these two Divisions are in fact economically and socially linked with the City rather than with the remaining Divisions of the Municipal District of Stony Plain. The City is in fact their trading centre.

The combining of Divisions 1 and 2 with Divisions 3, 4 and 5 in the Municipal District of Stony Plain makes for a conflict of interest between these two Divisions and the balance of the Municipal District.

A (Cont.)

" The causes of this conflict are to be discussed hereafter. However, the conflict was pointed up with force when the Councillors representing Divions lying outside that area containing people whose interests were intimately connected with the City, decided against making submissions to this Commission since their areas were not interested nor concerned with metropolitan development.

It is, however, the wish of the ratepayers of Divisions 1 and 2 that their problems be brought before this Commission. To the knowledge of the signatories of this Submission, acquired through discussions with Councillors representing the Southern Divisions of the Municipal Districts of Morinville and Sturgeon, similar problems are being experienced in those areas.

11. REVIEW OF PAST DEVELOPMENTS:

Prior to the formation of the Municipal District of Stony Plain in 1942 the area was made up of the former Municipalities of Inga, Tomahawk and Spruce Grove. After the amalgamation to form the large Municipal District of Stony Plain the former municipality of Spruce Grove formed Divisions 1 and 2, Inga formed Division 3 and the Eastern part of Division 4 and Tomahawk formed the Western part of Division 4 and all of Division 5.

Originally the Town of Jasper Place formed a part of the enlarged municipality. This, however, was removed in 1950.

A (Cont.)

" The areas comprised in the former Municipalities of Inga and Tomahawk were all very much underdeveloped. They had no standard graded roads nor gravelled roads. They had very little road equipment. Inga at this time had an assessment of only $56,952.00, while the assessment of Tomahawk was $1,519,190.00. The total assessment in what is now Divisions 1 and 2 was on the other hand $2,825,350.00. These facts are important and must be kept in mind in considering the problems hereinafter outlined.

111. THE PROBLEM:

(1) Since its formation the Municipal District of Stony Plain, in common with the other units of local government has laboured under the disadvantage of increasing expenditures. This has carried with it a rapidly growing burden for the ratepayers. The increase in expenditures can be seen from the Table One and it will be noted that the majority of specific outlays have expanded from 3 to 4 times between the years 1943 and 1954.

On a per capita basis the main expenditures compared with Edmonton and Jasper Place are as follows:

TOTAL EXPENDITURE PER CAPITA

YEAR	M.D. STONY PLAIN	EDMONTON	JASPER PLACE
1950	37.0	75.1	25.4
1951	38.1	75.1	30.65
1952	61.6	85.9	29.61
1953	74.5	91.7	38.2

A (Cont.)

" It is apparent from this table that the per capita costs of government in the Municipal District of Stony Plain is approaching that of the City of Edmonton. It cannot be said, however, that the services secured by these ratepayers is in any way comparable with those secured by ratepayers in the City.

(2) The increase in Municipal outlays has of course been accompanied by an increase in tax levies and in mill rate. Table 2, Appendix, shows an increase in the total mill rate in the years 1943 to 1954 inclusive of from 31.2 mills to 67 mills.

The mill rates of Edmonton, Jasper Place, Strathcona, and Stony Plain for the years 1950 to 1953 are as follows:

YEAR	EDMONTON	JASPER PLACE	STRATHCONA	STONY PLAIN
1950	49.5	68	40.4	51.4
1951	56	53	34	49
1952	52.5	49	34	48.8
1953	52.5	55	34.2	59.3

However, in the past year the tax position of ratepayers of Stony Plain grew even more burdensome. The mill rate went up by 7.7, whereas the rate in Edmonton rose only to 53 mills, Jasper Place had a rate of 54.5 mills and Strathcona imposed only 25. mills.

Professor K.G. Crawford in his Treatise "Canadian Municipal Government, at page 191 says:

"There is no accepted fixed point at which it can be said that the limit of taxation has been reached, but it is evidence

A (Cont.)

" "that such limit has been passed when any considerable number of property owners prefer to let their properties be sold for tax arrears rather than to pay the taxes and retain their properties."

As the auditor's Financial Statement for 1953 shows at page 8, the tax unpaid for the year 1953 alone amounted to $137,317.00. For the preceding years there were $64.657.00. When the tax on forfeited land at the end of 1953 representing $60,352.00, is added to the two previous figures the total uncollected taxes is $262,326.00. It is, therefore, evident that the burden of taxation on ratepayers in Stony Plain is past the upper limit.

(3) The increasing public expenditures referred to in paragraph (1) of this part are, as will be seen from the following table, borne unevenly by the various Divisions in the Municipality:

ASSESSMENT BY DIVISIONS MUNICIPAL DISTRICT OF STONY PLAIN 1953

	LAND	IMPROVEMENTS	PERSONAL PROPERTY	TOTAL
Division 1	$1,153,060	430,560	1,649,550	2,233,170
Division 2	1,308,020	237,260	224,490	1,769,770
Division 3	1,147,190	36,690	25,240	1,209,120
Division 4	763,180	145,100	469,910	1,405,190
Division 5	511,680	117,720	215,130	844,530
TOTALS	4,883,130	967,330	2,611,320	8,461,780

A (Cont.)

	LAND	IMPROVEMENTS	PERSON PROPERTY	TOTAL
"Divisions 1 and 2 Combined	2,461,080	677,820	874,040	5,002,940

ASSESSMENT FOR 1954 BY DIVISIONS

Division 1	3,085,190
Division 2	2,365,800
Division 3	1,187,620
Division 4	945,500
Division 5	678,720
TOTAL	8,262,830

Divisions 1 and 2 are thus contributing five-eighths of the total tax revenue required for municipal purposes. On the other hand little or none of the monies raised in Divisions 1 and 2 are being expended in those Divisions for services to their ratepayers. It would seem, therefore, that there is not a proper return per dollar to these ratepayers.

Taking expenditures on public works alone it must be noted that prior to the year 1953, a Division had some control over the expenditure of tax monies raised within its boundaries.

> "At least fifty per cent (or such lesser percentage as may be determined by a unanimous vote of the Council) of the total estimated expenditure upon public works shall be distributed among the divisions or areas in proportion to the amount of taxes to be levied thereon respectively." (Municipal Districts Act R.S.A. 1942 c.171, sec.279(3))"

A (Cont.)

" The section was a recognition that it was equitable that the Division which raises the monies should have some control over how they are spent.

This section was, however, removed from the Act by Statutes of Alberta, 1953, c.82, section 12.

The result under the present system is that Divisions 1 and 2, the Divisions raising over one-half of the funds, have no control over expenditures in the under-developed areas.

The conditions are much worse with respect to schools than has been shown with respect to public works. School taxes it will be noted take up over one-half of the total mill rate and again the Divisions raising the largest part of the monies have no control over the expenditure.

IV. CONCLUSIONS:

1. That the ratepayers of Divisions 1 and 2 are economically and socially linked with the City of Edmonton rather than with Divisions 3, 4 and 5 of the Municipal District of Stony Plain and their problems ought to be dealt with jointly with those of the City.

2. Divisions 1 and 2 are areas of high assessment as compared with the areas encompassed in Divisions 3, 4 and 5, and have been compelled to bear the burden of developing these formerly underdeveloped areas in Divisions 3,4 and 5.

This has resulted in a constantly increasing trend in municipal expenditures and a constantly increasing mill rate. This is inevitable if these low

A (Cont.)

"assessed areas are to be given the same services as all other areas but the result can only be a mill rate which is excessive. This excessive mill rate acts only as a deterrent to the natural development of the area by industry.

3. The fact that the assessment in the Municipality is out of balance, about 67% low assessed results in the ratepayers in Divisions 1 and 2 not receiving a satisfactory return on their tax dollars.

V. SUBMISSIONS:

In view of the foregoing it is respectfully submitted:

That a new Municipal District encompassing the area to the West and North of the City of Edmonton be composed of the former old Municipal Districts of Spruce Grove, Ray and Sturgeon. The proposed new district is indicated on the map "Appendix 2".

The creation of this new Municipal unit will result in the following advantages:

(1) It will simplify municipal organization in the Edmonton area and unite into one municipality people with common interests and who, because of their intimate connection with the City will have a better understanding of the problems of the whole region.

(2) It would create a district of higher uniform assessment, which in turn would not only provide for a more equitable distribution of tax burdens among all ratepayers but would also ensure a better and more effective development of the area adjacent to the City

A (Cont.)

"and provide better services to its residents and to the region as a whole.

(3) It would facilitate the orderly development of the Metropolitan Area by synchronization of construction of roads and other facilities between the City and the proposed district.

(4) The formation of this new Municipality would definitely remove the deterrent to the development of industry North and West of the City constituted by the present high mill rate in these areas.

All of which is respectfully submitted. "

MR. STEER: Mr. Slaght, did you have any discussions, you and your associates have any discussions with anyone in the Districts of Morinville and Sturgeon concerning your submission?

A Yes, we had a discussion with the councillor from Morinville, and the ratepayers, and a councillor from the Sturgeon municipality.

Q And what was the result of those conversations?

A They thought it would be an ideal set-up, what we proposed, but they weren't affected as bad as we were, and at the time they were undecided just what was going to happen to them with the Coterminus Boundary Commission, so they suggested we present the Brief.

Q Now, turning to this question of control over expenditures, I understand that the Municipal District has certain machinery for construction of roads, is that correct?

A Yes.

Q Can you tell me where that machinery has been working in the past year, that is 1954?

A Practically on the west half of the municipality altogether.

Q Being what divisions?

A Divisions 3,4 and 5. The main machine, what we call the main outfit never got in Divisions 1 and 2 at all.

Q Now, what sort of work was being done by that machinery in those Districts?

A Building roads, repairing roads, particularly for school bus routes which were developing pretty fast out there.

Q I am sorry, I didn't hear the last.

A School bus routes which are developing very fast out in that area.

Q I see. Have you any need for roads in Divisions 1 and 2?

A Yes, we have a terrific need for roads.

Q Have you any estimate as to the mileage of road that you require in Divisions 1 and 2?

A Well, I would say there is at least 50 miles of road that should be graded in Divisions 1 and 2, and all are main roads, we are not even keeping them up in repair.

Q Now, can you tell me why it is that you can't get these roads in those two divisions?

A Due to so much undeveloped area in the west, and not enough money to go around. Division 1 and 2 have only two votes in the Council which, well, we are just, the people, I think the main thing is the division, the Council claim that our roads were built before the amalgamation and that therefore we don't need any roads, and that's about what it amounts to.

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Q Now, has there been over expenditure on public works in your municipality?

A Yes. In 1953 we had over expenditure.

Q What amount was the over expenditure in 1953?

A $68,123.00 taken from the financial statement.

Q And can you tell me where that money was expended?

A All in the west part of the municipality representing divisions 3,4 and 5.

Q Have you considered what the per pupil cost of education in Divisions 1 and 2 is at the present time?

A Yes, taking it from the financial statement for, the estimated statement, or what we were requisitioning from the school division in 1954, the estimated budget of the council, and from the enrollment list from the school division it works out to, Division 1 and 2 with their 683 children being educated, it works out to $247.00 per pupil, whereas in Division 3,4 and 5 with 1546 children, it works out to $66.00.

MR. ROBISON: Repeat those figures again, please?

A $247.00 per pupil in Divisions 1 and 2, and 3,4 and 5 $66.00. That is taking the total list. Their requisition to the municipal council this year was $271,000.00, and working it out on the basis of assessment it, that's the figures we arrived at.

MR. STEER: Now --

A By the way, in the same, from the same financial statement, Edmonton's per pupil cost in 1952, I believe was $200.00. Oh, and, a little further on that, the classroom situation taking it per classroom from the financial statement, Division 1 and 2 we had a total of 22 classrooms, and we

A (Cont.) still have 9 one room classrooms. In Divisions 3,4 and 5 , they have a total of 63 classrooms, and they have now ten classrooms. Thirty buses operating in the municipality, and in Divisions 1 and 2 there are six buses operating. I have some more figures if you are -- The cost of transportation in our municipality of school children,1953 was $83,000.00. Our total cost in 1942 of education to the municipality was $60,000.00.

MR. DAVIES: Did you say 1942?

A 1942. I just took this -- I know education costs have risen everywhere, but just as a comparison.

MR. STEER: Now, Mr. Slaght, turning to the question of industry, what effect have you found, what is the effect of your mill rate on industry which wants to come into your area?

A Oh, we have had several inquiries in the last year or two from presentatives from Industrial firms wanting to establish in our area. We have one advantage, the cost of our land out there compared with the developed areas to the north and east and south, our cost of land is a lot cheaper which is an inducement to them to look around, but as soon as the mill rate is mentioned we never hear of them again.

Q Have you considered any alternative to the proposed new municipal district which is outlined in the map at the back of your Brief, any alternative to that?

A Yes, If we are, being that we are so close to the city, and we have so much in common, if we couldn't have this municipality we are asking for formed, we would like to be taken into the city.

Q Now, in the last few days has there been any alteration in the districts as shown on the map which has been filed as Exhibit 139E?

A Yes. They have, there has been a change in divisions in the municipality, taking, it takes effect April 3rd. I have a map, I have a map here with the new proposed additions.

Q Mr. Chairman. We only have one copy of this map at the present time. If you wish it we will get the necessary copies made.

THE CHAIRMAN: Do you wish to file it, Mr. Steer?

MR. STEER: I will just ask one more question, sir. Has the change in the divisions made any alteration in the statements and the conclusions embodied in your Brief?

A By divisions, it has just increased the size of division 1 considerably, taking in quite a bit more area that was in Division 2 which would help to make the assessment far more unequal than it was.

Q Has the alteration either improved the situation or not improved it?

A No, it has, to my way of thinking it has far from improved it. It has made, well, it has just made the matter, made the matters worse as far as we are concerned.

MR. STEER: I would like to file that map, sir.

THE CHAIRMAN: All right, that will be 140E.

MAP WITH ALTERATIONS TAKING EFFECT APRIL 3rd,1955 AS DESCRIBED IS ENTERED AND MARKED AS EXHIBIT 140E.

MR. ROBISON: How shall we describe this, Mr. Steer?

MR. STEER: I beg your pardon, sir?

MR. ROBISON: How shall we describe this with relation

MR. ROBISON: (Cont.) to this map here?

MR. STEER: Map of alterations becoming effective, alterations in the divisions becoming effecting on April 1st, 1956. Mr. Slaght, those alterations --

MR. MOFFAT: '56 or 5?

MR. STEER: 1955, I beg your pardon. Those alterations were made by whom?

A The Department of Municipal Affairs.

MR. STEER: Thank you. Would you answer my friends.

THE CHAIRMAN: Mr. Steer, we would like to have additional copies of that map.

MR. STEER: Yes, we will get them.

MR. MOFFAT EXAMINES THE WITNESS:

Q Mr. Slaght, I take it that from your final comment there, your residents of your area are pretty dissatisfied with the situation in which those close into the city are controlled by municipality in which the majority lie a long distance out from the city?

A That's right.

Q Do you suppose that is a very typical situation in rural municipalities with a small end close into the city?

A I think it is, only, in our particular case we are saddled with a lot more undeveloped area than most municipal areas, and another angle, we have at the present time, our west -- to the north of us we have municipalities, but to the west of us we have two L.I.D. We are running out into the country which is marginal which can hardly handle its self-government, that's what it amounts to.

Q Would you say that the situation which you have now is

Q (Cont.) somewhat similar to the situation in respect to Jasper Place before it succeeded from Stony Plain?

A Identical, I would say.

Q You say it is identical. You were living in the area and active in community affairs at the time, so you are fairly familiar --

A I wasn't on the council at the time, but I know the situation. We were sitting then just as we are now. We have, the fact is we were told by the council that represented Jasper Place that we were a bunch of orphans, and we had nothing we could do about it.

Q So that this situation of an inner division of the municipality being dissatisfied with its situation and asking to be tied up with some other municipality, and possibly with the city is by no means unique in your--

A No, no, it hasn't, it has just been getting worse, that's all.

Q Well, now, do you suppose it would be a fair comment then to say that the possibility of the same kind of a situation developing at the other end of the city is something to be taken into account also?

A Which end do you mean?

Q The Strathcona side of the city, or do you not know enough about that --

A Repeat that again, will you please?

Q Would you say that it is a real possibility that at the other side of the city the inner-division of Strathcona may become restless with the situation there in the same manner?

A No, I wouldn't think so. If your mill rate there, if your industrial development is concentrated enough, and it is high enough, you can get relief, you can handle a lot of low assessed areas, I imagine. I can't imagine if we were in the same position as Strathcona, I don't think we would be here kicking.

Q Well, then, what I was trying to get out, then, is to know whether you consider the main problem to be the mill rate, or the main problem to be the difference of attitude in opinion as between the close in areas and the far out areas?

A It is both.

Q Maybe both?

A Yes. We are going to, a big section of us will eventually come in the city, I think, the way it is developing, and we have got a lot of planning, particularly it is in our area at the present time, it is a haphazard sort of thing, and planning is a very, should be a very important thing to get things planned ahead, but under the set-up, the city has one standard and we have another standard that I don't think is too good.

Q Well, then, I take it you would say that the mill rate alone isn't the whole issue, that these other things are important, and even if the mill rate was taken care of, there still might be differences of opinion that might lead to this same kind of a situation?

A Oh, if the mill rate was down, it would help wonders.

Q Yes. Now, carrying on to your comment at the end, that if this kind of a set-up that you proposed cannot be made, then you would like to be taken in as part of the enlarged

Q (Cont.) city, what area did you have in mind there, the whole of Division 1, or have you any particular boundary in mind?

A Well, I would say the whole of Division 1 and 2, if it was feasible.

Q How far out into the country would that go, approximately?

A 18 miles.

Q 18 miles?

A Why I say that is, at the present time there is a pile of people working in the city and driving back and forth into that area at the present time.

Q So that you would think then that from your point of view extension of the city boundaries out as far as 18 miles would possibly be a workable administrative set-up?

A I think so. I think an 18 mile border right on the city would be not -- possibly in 50 years, and I suppose we should figure that far ahead, would be an ideal set-up.

Q Is this a possibility that was discussed at some of the meetings that you mentioned, or is this something that you are offering as your own opinion only?

A No, this was, this has been discussed at several meetings.

Q And the general impression seems to be that, what you are just saying, is that correct?

A Yes, that's it.

Q Do you suppose that there would be any strong opposition to a proposal to take in, say one or two miles beyond Jasper Place rather than going out the whole distance?

A I imagine there would be in the balance of our divisions there, at the present time there would be.

Q On what grounds?

A Well, we want to go into the city too.

Q You want the whole thing taken in?

A Well, I mean, I can see where people that are interested in this today wouldn't, would feel worse than ever, because they would then figure they would still be saddled with the balance of the low assessed area, they would be worse off then ever.

Q Now, I asked you the question in terms of going two miles beyond Jasper Place, supposing the section to be taken was even smaller than that, suppose, if I go over here to the map, for instance.

A Yes, I know, the greenbelt --

Q Suppose it was simply this small area here to the north of Jasper Place which is around the railway lines, suppose it was just that that was being taken in, do you suppose there would be any opposition to that kind of a proposal?

A Oh, yes. The fact is, it was on account of the proposal that we heard of that, partially that's why were were in with this submission. We weren't, we would like to see more than that taken in.

Q You would like to see more than that taken in. Thanks very much.

MR. BROWNLEE EXAMINES THE WITNESS:

Q You were suggesting that the ratepayers of Divisions 1 and 2 of your municipality would put up as an alternative proposal that approximately 18 miles of area in your divisions west of the city should be brought into the city?

A Yes.

Q And to that extent you are prepared to offer the city elbow room for growth out there?

A That's right.

Q I gather, though, that you would not want to see a stretch of two miles only as suggested by Mr. Moffat taken in?

A No, because that, our assessment is particularly good in there for a couple of miles, and it would just leave a balance of us sitting out there holding the bag.

Q And would that two mile stretch be what might be called the better choice for industrial development?

A Yes.

Q Rather than further out?

A Well, I would imagine -- well, maybe I am wrong in saying that. We have a good gas supply now out to about, to 6 or 7 miles out. It would be, no, I would say as far as the two miles, it wouldn't be any more, better for industry than, say 7 miles out, at least.

Q Now, with regard to what is now the Town of Jasper Place, can you tell me in 1950 when that became separated from the Municipality, was it a result more of the wishes of the persons residing in Jasper Place to leave the municipality, or was it more the wish of the rest of the municipality, that they, that Jasper Place should leave?

A It was mutual, because, I remember being on a delegation before this to ask Jasper Place be made into a division by itself, because, I happened to be living in the area that was in Jasper Place at the time, and as I said before,

A (Cont.) the council representing that area, it was elected out of Jasper Place, because they had us beat about 50 to 1 on votes, and they just told us we were just a bunch of orphans, and no use to say anything.

Q Now --

A The following year, I believe, Jasper Place had their headaches too. And the following year I think, yes, that was 1950. I think it was -- they were only as a division for one year, I believe. That was before my time on the council.

Q Mr. Slaght, do you have many ratepayers who work in the City of Edmonton?

A Yes, there is a lot of them. I wouldn't be able to give you numbers, but --

Q Could you give me any kind of an approximation which might be anywhere near accurate?

A No. It would only be --at 7 o'clock in the morning there is a good, the highway is, if you ever happen to be out there at that time, there is just a steady stream of cars pull out of Stony Plain and Spruce Grove heading for the city, and of course, there are a lot, from our area there is a terrific pile of young fellows working in the city today and living on the farms.

Q Could you get figures without too much difficulty?

A I don't know where to start, to tell you the truth.

Q I see.

MR. DAVIES QUESTIONS THE WITNESS:

Q Mr. Slaght, I wonder if you would indicate to the Commission the relationship of oil development in your area in terms of the map, in what divisions you have

Q (Cont.) assessment on oil wells, property, and so on?

A At the present time in division 1 and 2 have a major proportion of the oil development. Incidently, we haven't, we weren't fortunate enough to have any refineries, or anything. We only got the oil wells, and we take a terrific beating. The fact is, at the convention this year at the Macdonald Hotel, the Deputy Minister stopped me and asked me why I don't fix my roads, and I said, you wouldn't be by any way meaning Acheson and Devon, and he said, I get more complaints from the Acheson and Devon road than any other roads in the province. Why I am telling you this, it is the oil traffic, through traffic, the truck traffic, in other words.

Q Well, I notice on page 5 of your Brief in the table at the bottom that division 4 has got 469,000 for personal property assessment, would that largely be in connection with oil development?

A Yes. I tell you, the biggest part of that was Trans Mountain Pipe. I don't believe they show it in '54. It isn't broken down in '54. Trans Mountain was building a pipe line, was building through there, and our assessor assessed a bunch of the pipe in storage, so I believe Division 4 had a major share of it.

Q And then that 649,000 on personal property assessment in Division 1, is that more or less a stable assessment on personal property, or is a lot of that equipment that is moved around?

A No, that is got down to where there is no drilling going on there any more. It is oil wells, batteries and storage

A (Cont.) yards, and what-not which will possibly be there for the next, the Conservation Board says the life of this field is 30 years. Oh, you were speaking of Division 1?

Q Division 1, 649,000.

MR. MACDONALD: Mr. Commissioner, I think that figure should be 1,649,000 to make that figure at the bottom add up.

MR. STEER: There has been a typographical error in there, sir, and I am not sure in which figure it is. We will have to get Mr. Slaght's forms and check it.

A Well, I tell you, I can check it in about one minute, if you -- at least, I think I can. I don't know as I can either it will take a little time for me to find it in this.

MR. DAVIES: Can you check it from the table in the back which gives the consolidation?

A Where is that? In the, oh, that's in figure one, table 1.

MR. DAVIES: Table 1, yes. Table 2.

A Table 2, you are right. It just shows two million six hundred eleven thousand, that's the total. I guess it should read one million six hundred forty nine thousand personal property, I believe.

THE CHAIRMAN: Well, I think perhaps what we better do, Mr. Steer, is have the figures checked, and give us the information later on.

MR. STEER: Yes, sir, that's what I would like to do, because I know that Mr. Slaght has a table which has got the figures in it, and it is just a question of his locating it.

MR. DAVIES: All right, Mr. Slaght, we will leave that for the moment. In respect to this proposed Calgary Power Company steam generating electrical plant at or near Lake Wabamun, in which division will that plant be going in?

A Well, it is in Division 4 in the old set-up, but in the new it will be in Division 5.

Q And have you any idea as to what the erection of that plant might do to your assessment roll?

A Oh, it will increase it in Division 5. I don't know just how much, or how long.

Q Has the municipal council as such made any preliminary estimate on what type of an assessment apple the Calgary Power Plant will be?

A I haven't heard.

Q In terms of assessment?

A I haven't heard.

MR. ROBISON: Just as a matter of interest, Mr. Steer, I wonder if you could tell me whether that plant at Lake Wabamun would come under the Electric Power Taxation Act or not, I'm not clear on that?

MR. STEER: The only one of those two statutes I am familiar with, sir, is the Pipe Line Taxation Act. I am not familiar with the Electric Power Taxation Act, I have never had to deal with it.

MR. ROBISON: I wonder if Mr. Peacock would know the answer to that?

MR. PEACOCK: I am sorry, I couldn't, but I am quite satisfied you will get the answer to that when the Calgary Power people are here on Wednesday.

MR. ROBISON: Thank you.

MR. DAVIES: I have been asking questions of you, Mr. Slaght on the assumption that the plant itself wouldn't be exempt from assessment and taxation, although the transmission lines would be in a different category, but in any event, you haven't any idea what that would do to your assessment?

A No, I haven't.

Q Is Mr. Lewis who is a member of the Interim Development Appeal Board in Stony Plain, is he going to be in the box, or are we to ask you any questions in respect to planning?

A I don't know.

MR. STEER: We can have Mr. Lewis sworn, sir, he is here.

MR. DAVIES: Now, in your table, at the bottom of page 3, Mr. Slaght, it says on the per capita basis the main expenditures compared with Edmonton and Jasper Place are as follows; as a matter of record, would you mind informing the Commission what the item of expenditures are that fall within the classification of main expenditures?

A I would think it is public works and education.

Q Is that right, Mr. Steer?

MR. STEER: Total.

A Total, was it? Now, I wasn't too sure on that. Total, he says.

MR. ROBISON: The total of public works and --

A It will be taken from the financial statement, it would be the total expenditures, I guess.

MR. DAVIES: For those two items?

A No, I believe for the over-all. Mr. Steer just says that. I wasn't too sure on that.

Q Would that also include the cost of construction of any new schools?

A No, I believe --

Q In any particular year?

A No. We have nothing, all the cost, the capital cost was done out of borrowings, I believe, wasn't it, and all we come into the picture is paying interest. I believe it says that in the financial statement.

Q Well, possibly when you are clearing up the matter in connection with that other table, you would make a short statement on what does comprise main expenditures on the table at the bottom of page 3, would you please? Turning now to page 4, Mr. Slaght, have you any idea how your per capita expenditures in the M.D. of Stony Plain compare with other rural municipal districts?

A No, I don't.

Q You don't know then whether or not your per capita expenditure is high relatively to other municipalities in northern Alberta, or low, or about the same thing, is that right?

A I wouldn't know except the comparison we have around here, like what we showed on our statement.

Q If we took the assessment in respect to, that arises out of assessing property incidental to oil development in divisions 1 and 2, if we took that assessment out of the picture in your total assessment, would it result in showing that division 1 and 2 were not too badly out of line with divisions 3,4 and 5? In other

Q (Cont.) words, what I am getting at is this, is there any, might there be any strength to the argument that Divisions 1 and 2 largely have a much higher assessment because there is certain assessment being collected from, as a result of the development of oil, and therefore the other divisions in the municipality might have some claim to share in the expenditures of monies arising out of that assessment, would there be any strength to that argument?

A No, I wouldn't -- we are taking, wherever that oil is developed, the fact is, at one of our annual meetings, the ratepayers of Divisions 1 and 2 got a resolution passed at the annual meeting asking that 25 percent of the money raised from oil be spent where it was raised, but, due to take care of the increase cost of maintaining the roads, but when that came up, the council meeting, they just laughed at it. It was --

Q Well, let me put it to you this way, I don't know what the division off hand, the industrial area of the M.D. of Strathcona is in, but let's suppose it is all in one division, or concentrated in one or two divisions, so far the submissions, roughly speaking in respect of the M.D. of Strathcona are that those people who live in remote parts of the M.D. of Strathcona, that aren't within the division or divisions in which the industrial area is in, that those people further out are entitled to share in the benefit of having all that industrial assessment within the boundaries of the M.D., and that argument is advanced somewhat forcefully particularly in respect to schools. Now, am I correct

Q (Cont.) in assuming that in your submission, if your submissions would be applied to the M.D. of Strathcona it would result, would it not in the position being taken that it is the ratepayers who are merely within the division, or divisions where this industrial assessment is that should get the substantial benefit from it, is that right?

A As I said before, if our concentrated industrial assessment was high enough, it would do a lot towards equalizing it. This 67 mill rate, what I was trying to put over was this, that when you begin to pay in the neighborhood of from two hundred fifty to $350.00 per quarter for taxes on a farm land, it is getting pretty near out of reach. That is what is happening down, it happens to be that the oil is developed in our area in the better areas in our, as far as agriculture is concerned in our municipality which has only aggravated the situation. Due to the big amount of the low assessment, the 67 mills on the average farmer in Divisions 1 and 2 is getting, the assessment we have on that good soil is getting too high. Now, did I answer your question?

Q Well, I think possibly you have answered it as well as you can at the moment. Am I to understand you correctly that an average quarter section of fairly good land in Divisions 1 or 2 has a total annual tax load of over $200.00?

A Yes. There is, there is one in Division 1, particularly, one particular quarter section that isn't even on the highway. It is just out of Spruce Grove, it is to the south of the highway, and its tax notice that went out to that

A (Cont.) fellow this year on that quarter section, and it is just a plain flat quarter, it is $368.00 without any, he has no Edmonton advantage. We, that is in the area around Winterburn, we pay an extra percentage. I forget just what the rate is. I don't know too much on the assessment, but I know they do work, so many miles out of, close to say a city of 100,000 population, the percentage goes up every mile coming nearer the city. It isn't too high a percentage.

Q Does that quarter section that you state that has a tax bill in '54 of $368.00?

A Yes.

Q Has it got more than one dwelling house on it?

A No.

Q And is it used solely for agricultural purposes?

A Strictly agricultural, and until last year they had nothing but a dirt road which is heavy soil which was practically impassable half the year. Thirteen farmers on the five miles put up $1300.00, and the municipality spent another 13 or $1500.00 and we graveled that road for him.

Q Would you take the map and give me the number of the quarter section, the legal description of this one with the $368.00 bill on it?

A When I got my first tax notice this year myself on -- I am not in soil classed as good as that, and my tax notice was $344.00 due to a new industrial assessment that they put on it because there is oil wells on my place, and I don't happen to have any mineral rights, though. It would be northwest of the 25-52-27 west

A (Cont.) of the 4th.

Q Am I correct now in presuming from what you said that -- would you, Mr. Reporter repeat it please? The number of the quarter section?

A Northwest of the 25-52-27 west of the 4th. Oh, I can give you --

Q Well, that will be enough along that line.
Is a portion of this tax ascribable to the fact that there are oil wells on it?

A No, there are no oil wells in this particular place, but the soil is good.

Q Turning to page 5 of your brief about the question of lands that are being forfeited in the Municipal District of Stony Plain, what kind of land is being forfeited, and where is it? Is it far out, I presume? Is it occupied, or has it been abandoned?

A No, a lot of it is occupied.
Well, this all, I imagine it would run, particularly like the last two years it would likely run more in the poorer farms all right.

Q And that fact that it is being forfeited, does that mean that the occupant has moved off, or is about to move off?

A No, not necessarily. It will likely go up for tax sale, and some of them make different arrangements. Some of them rent back from the M.D., or try to.

Q Did your ratepayers make any particular submission to the Coterminus Boundary Commission of these proposals roughly that you have here?

A No, I personally did a lot of arguing when they met us at the municipal office, but they strictly told me they weren't there to argue . We could argue it out later, and that's about it. Nobody else argued.

Q Is your council in a constant state of bickering because of the allotment of the expense, or are you spending this money further west by more or less, by agreement because it needs to be spent?

A No, we don't bicker too much. It is a case of it being a foregone conclusion before it ever comes to we never put very many of them to a vote, in fact, because we just kind of agree on it. In division 1 and 2 we know we are licked before we start, so --

THE CHAIRMAN: Mr. Hayes.

MR. HAYES QUESTIONS THE WITNESS:

Q I am kind of interested in the new divisional proposals, did you make that proposition to the Coterminus Boundary Commission?

A Us, no.

Q You didn't?

A I don't know. That was just, it came right out of the blue sky last Monday. We got an order that was dated by Gerhart, it was dated the 16th of December. The first any of us knew about it was last Monday morning, a week ago today. Why, I will never know. I don't think, we are going to try to find out, but there was no accompanying letter or nothing, it was just, that was it.

MR. ROBISON QUESTIONS THE WITNESS:

Q Mr.Slaght, I gather from what you said that Divisions 3,4 and 5 considered Divisions 1 and 2 as an orphan Division, and you just can't do anything about it, and they don't do anything, is that right?

A That's about it. The idea is, their ratepayers will

A (Cont.) come in in droves, and I agree, they got roads that need fixing, and they will just ome in, and will just demand roads, and the councillor who represents them is on the spot, and he has pretty near got to do something, and the upshot of it is they get it fixed.

Q How long is it since your two divisions thought of submitting something to this Commission?

A Oh, we have talked of it, well I guess, every since we heard of it, very near, but I tried to get the council as a whole to make a submission, and well, we talked about it some, but we, the whole upshot of it is we have nothing in common.

Q Is there anything in the minutes of the council which bears on this submission negatively?

A No, I don't think it ever went to --

Q Never brought it up in a formal way?

A No, I, well that was never thought of, putting it on the record. The fact is, up to, oh, I imagine the last council meeting, I believe it was, the reeve was thinking we should make a submission, and I said well, gee, Division 1 and 2 has already got a submission in, but I said I will go along with the idea of putting a submission in from the whole municipality as well.

Q Well, do you suppose, Mr. Slaght, that this Commission in equity should hear something from Divisions 3,4 and 5?

A Yes, they should. Yes, I think it would be ---

Q And likewise should we hear something, now, I gather from what you said with respect to Sturgeon and Morinville,

Q (Cont.) that your relationshipsthere have been casual and not formal?

A It was more or less casual.

Q With one or two councillors?

A Yes.

Q What do you suppose those two municipalities will say if they were not given a chance to react to this submission of yours?

A Well, now, I don't know just what -- they would be more settled now. I think they pretty well got tore up with the Coterminus Boundaries Commission. I don't know just what bearing that would have on the situation.

Q But you do agree, though, that the municipal council of Stony Plain should be given possibly some opportunity to react to this proposition by way of rebuttal?

A Oh, yes.

Q And that possibly we should hear something from Sturgeon and Morinville?

A At the time this brief was started, as I said before, they thought it was a good idea, but the fact is --

Q Well, who do you mean by they now?

A Rosewell representing Sturgeon, he is a councillor, and Wiley.

Q Was this a casual conversation?

A No, we called a meeting over at Mr. Lewis' place at Winterburn.

Q Who are we that called a meeting?

A Mr. Lewis and myself, in fact.

Q Did you have authority to call a meeting?

A The F.U.A. local made a, well, I tell you, it just

A (Cont.) wasn't the two of us. There was a committee set up, Mr. McMillan, Mr. Harris, Mr. Lewis and myself, and Mr., and Philip Thomas from down there in the southern part of Division 2.

Q Well, it was more or less informal, wasn't it?

A Well, the F.U.A. local had set up this committee to look into this and prepare a brief, and eventually it ended up with Mr. Lewis and myself doing most of it.

Q I am interested, Mr. Slaght in the statement on page 1, the last sentence on the page, "The City is in fact their trading center ." , and I noted down here the question, where do the others normally trade, 3, 4 and 5?

A Since I prepared this brief, I asked Division 4, the councillor just the other day how often he goes to the city, he says he averages three times a year. He trades at Duffield. He lives at Duffield, some at Stony, and there is quite a little place at Highvale, Tomahawk is quite a little settlement. Seba Beach is quite a little town.

Q Does the director of assessment do the assessing work in your municipality?

A No, we have our own assessor, but he is under direct control of the director of assessment, I believe, I think he, if I am not mistaken he takes an oath to assess under the director of assessments.

Q Does he make much of the differentiation, and I gather does, or must from what you say between the various divisions getting closer to the city, do you think?

A No, I tell you, he has a schedule set up. There is a

A (Cont.) manual set up by the assessment branch, and he follows that. In fact -- oh, incidently, I started to appeal my own taxes this year, but the wholething got thrown out before it got that far, but he was perfectly within the Act when he was making the assessment.

Q Even the $368.00 on a quarter, that comes within the methods outlined in the assessment manual of the department?

A Yes, it does. The reason of the big difference between, well, I will tell you, the farm, the farm land effect, I believe, the schedule they used to use going west from the city the raw land was $26.00, what tbey would value raw land at Spruce Grove, $24.00 at Winterburn where I live, and when they got as far as Carvel Corner, if you have a map there, which is about, out in Division 4, improvements is all they would consider . Why I am telling you this, is that the land changes so, and that is, I mean the type of soils for farming, there is, well, I heard a discussion at a Council meeting, we were getting quite a few applications for relief seed and feed from Divisions 4 and 5, and I think one of the councillors, I believe it was Division 4, said I think we would be a lot better off to put those fellows on relief than give them feed and seed, because if we get another year like we have had for the last two years they are not going to grow anything anyway.

Q I have two or three questions on planning, Mr. Chairman, and I gather they should be directed to Mr. Lewis. The last question for you, Mr. Slaght, do you consider it

Q (Cont.) a reasonable proposition to be seriously negotiating that the city emcompass an area that goes westerly from the city for 18 miles ?

A It might not be practical I say this, I don't know anything about it, but one of the main things is that we, I have heard this discussed, and listened to a lot of people talking on this in that particular area, even if we got hit harder on taxes, if we did hook on to the city, their standards are at least higher than ours, and we are not hooking on to something which is a lot lower than ours.

MR. ROBISON: Thank you, Mr. Slaght.

THE CHAIRMAN: Adjourned for ten minutes.

(At this time the Hearing was adjourned for ten minutes.)

Q MR. STEER: We will make this correction now, if I may, sir, will you turn to page 3 of your brief, Mr. Slaght at the bottom --

THE CHAIRMAN: Page 3?

Q MR. STEER: And would you tell the Commission, please, how the calculation is made for the M.D. of Stony Plain of those various years?

A The calculation was made, taking the total expenditure shown from the auditor's report for the year '53.

Q Those are the expenditures shown on the bottom of Table 1, is that correct?

A Yes, that is correct.

Q I see, on page 5 have you compared that table with the original extract you made from the Municipal District's records?

A Yes, that table assessment by divisions at the bottom of page 5, it should read for Division 1, personal property should read 1,649,000 instead of just 649,000 and it should leave, bring, have a total for division 1 of $3,233,170.00.

Q Thank you. Now, you were asked about an industrial assessment and does the assessment, as set out in this brief, include an industrial assessment?

A What was this again?

Q You were asked by Mr. Commissioner Davies about an industrial assessment, has there been an industrial assessment in 1955?

A '54.

Q '54, I beg your pardon.

A There was an industrial assessment assessing the land used for oil purposes but it was thrown out as invalid.

Q May Mr. Slaght stand down?

THE CHAIRMAN: Yes.

MR. MACDONALD EXAMINES THE WITNESS:

Q Could I ask Mr. Slaght a question, sir? Mr. Slaght, I am not entirely clear why the total assessment for the year 1953 is higher than the total assessment for the year 1954, could you just explain that?

A You mean in where it is given on the top of page 6, division --

Q You have a gross figure of 3,233,000 that is the right hand end column headed Division 1?

A Well --

Q Yes, is that the assessment for 1954 by divisions, it drops down from three million two thirty three to three million eighty five, I wonder if you would put that on the record.

A That would be assessment that must have moved out, that is due to oil or, that is about the only thing moving around, oil equipment and in the increase in 1954 would be too, it isn't drilling, there is no, it must be just small oil development, it isn't in the drilling business because there is no drilling going out there now, I don't think, except

A (Cont.) one oil rig and we didn't get it.

THE CHAIRMAN: Any further questions?

MR. DAVIES: What is your basic year for the purpose of computing valuations, Mr. Slaght, what is the basic year on the assessment, is it 1945?

A You got me, I am not just too sure that -- No, he asked me the question what year -- well, I don't know.

MR. STEER: I am afraid we can't answer that question.

THE CHAIRMAN: Are there any other questions?

MR. STEER: Thanks.

(The witness retires.)

E. R. LEWIS, having first been duly sworn, examined by Mr. Steer, testified as follows:

Q Mr. Lewis, you are one of the signers of the brief which has just been submitted?

A Yes.

Q You are a member of planning board for the Municipal District of Stony Plain?

A Yes sir.

Q I think Mr. Robison has some questions.

MR. ROBISON: Mr. Davies, do you want to go ahead?

MR. DAVIES EXAMINES THE WITNESS:

Q All right, Mr. Lewis, you just said now that you are a member of the Board of the Municipality but --

A Interim.

Q I think that --

A The interim.

Q You are a member of the Interim Development Board?

A Yes, that is right.

Q And therefore I assume that the council of the M.D. of Stony Plain has a general plan or passed a resolution in council to formulate and adopt the general plan for the municipality under Section 64 of the Town and Rural Planning Act.

MR. SLAGHT: I would imagine so, I am not too certain of that either.

Q MR. DAVIES: Well, you have an interim development control, haven't you in your municipality?

A Yes, that is right.

Q You have a by-law?

A Yes.

Q Dealing with interim development control?

A Yes.

Q And if anybody wants to build they have to obtain a permit?

A That is correct.

Q Is that right?

A From our Board.

Q Yes.

A Yes.

Q Then you have established zones, you have zoning by-laws in certain places, have you?

A Yes, that is right.

Q Am I correct in assuming that the Edmonton District Planning Commission is the designated approval authority for subdivision plans for the area?

A Yes sir.

Q And do you have many appeals?

Q (Cont.) Do you deal with any appeals?

A Decisions we give are often, go to appeal.

Q Yes.

A Yes.

Q And on the question of the rearrangement of the Edmonton District Planning Commission, it is the submission in the brief of the Edmonton District Planning Commission that membership in that Commission should be mandatory. You have heard that, haven't you?

A Yes.

Q And are you in favor of that?

A Yes.

Q And does that more or less represent the feeling of the council of the M.D. of Stony Plain, that there should be compulsory membership in the Edmonton District Planning Commission?

A Yes sir.

MR. ROBISON EXAMINES THE WITNESS:

Q Mr. Lewis, possibly some other members of the Commission, who reside in this area, would know the answers to these questions, or some of them, but I would appreciate very much if you could give me some information how much urbanization would you say there is percentagewise in divisions 1 and 2 and do you understand what I mean by that?

A Well --

Q Let us -- go ahead.

A The Division 2, I don't think outside Division 2,

A (Cont.) but in Division 1 it is, they are showing quite a bit now.

Q How many subdivisions?

A A quarter section was just subdivided called Normadeau's Gardens this year, this past year.

Q How many subdivisions would there be in division 1 altogether? Would you have any idea?

A As far as the exact number, Mr. Slaght was trying to count them up but it is not a new thing with us, you know, in 1912 our district was just polluted with subdivions and my east quarter, which is outside the green belt, had a McKinley Avenue and Haig street running through it in 1912 and there are a lot of them past my place, subdivisions again.

Q Could you tell the Commission how many of these subdivisions are occupied or partially occupied and are not merely on paper.

MR. SLAGHT: There is Owen Park, Dominion Park and Normadeau Gardens, West Jasper Place and there is two or three more I couldn't name offhand, quite a few.

Q MR. ROBISON: Are you familiar with what is known as the green belt area in the plan that has been before this Commission?

A Vaguely familiar.

Q And how many of these subdivisions would be west of the green belt area, if any?

MR. SLAGHT: A considerable, several of them would be.

A In the green belt, about half of them --

Q MR. ROBISON: Half of them outside the green belt --

A Yes.

Q And half within the green belt?

A Yes.

MR. SLAGHT: Around that, I would imagine.

Q MR. ROBISON: Now, you have mentioned something, Mr. Slaght said something about industrial development or the lack of it and how far, what information can you give us as to the possibility of industrial development in Division 1 with regard to this overall regional planning? Has it been zoned in any way for industrial development in the District Planning Commission or any regional authority?

MR. SLAGHT: Some of the area in close to -- has been zoned for industrial?

A The north section, north of Jasper Place has been.

Q MR. ROBISON: Yes, that little area just north there?

A Yes.

MR. SLAGHT: And you go, let us see, how far west it goes, it goes west about --

Q MR. ROBISON: Well, I assume that some of the industrial development that you may have referred to would be in the so called green belt area?

A Yes, it is just the last month there is an appeal to have it extended, the original green belt, to allow for a cement factory that wishes to go in there, that area north of Jasper Place.

Q You realize that that may cause problems and differences of opinion?

A I am not just sure, sir, which point you mean?

Q Well, there in the green belt area and there are restrictive uses of the green belt area?

A Yes.

Q You can't use it altogether, I take it, for wide open industrialization.

A This section happens to be between the two railroads and I think that all parties concerned were anticipating changing the green belt there.

Q Would you agree, Mr. Lewis and Mr. Slaght, that your, that your taxation situation is depriving you of the possibility of some solid industrialization of that fact alone.

A Yes.

MR. SLAGHT: Yes.

Q MR. ROBISON: You would?

A Yes.

Q Mr. Slaght agrees with himself but do you agree?

A Yes.

Q Then one final question, I don't know whether you are familiar with this phrase, in the appraisal of terminology there is a phrase known as "trend of development" there is a trend of development in a neighborhood, there is a trend of development so far as the city and the province are concerned, would you say that the trend of development, assuming that the fact situation satisfies you that there is a

Q (Cont.) trend there would be a trend of development, industrial development west of the city moving into the divisions 1 and possibly 2?

A Yes sir.

Q Well, is the trend of development today definitely east of the city?

A Well, yes sir, you mean south of the river?

Q Yes. Therefore, may I conclude then that taxation, that this taxation business is depriving you of industrial development that may rightfully be yours, might rightfully be yours?

A Definitely.

Q You have no doubt about that?

A I am sure of that, in fact the members of our Board are often surprised with people coming to make the inquiries they do when they know the tax structure and there has to be an awful lot of things in their favor before it swings our way.

Q Do you know, as a fact, whether any of the present occupants of the industrial property in the Strathcona industrial area interviewed or made inquiries in your area, division 1, say?

A Gee, I couldn't say. Some of that --

MR. SLAGHT: I don't think we can say, I tell you there is often men will come to the council meetings and say they, they will just simply say that they represent industry and they want to know what we can give them as a tax adjustment, we'll say, we will tell them that according to the Act everybody has to be assessed the same, they will

MR. SLAGHT: (Cont.) say right away your land is cheaper but your mill rate is shocking, that is it.

Q MR. ROBISON: The information that this Commission has to date I think would lead us to believe that the trend of development, owing to wind and the river and other factors is east of the city, that is major base industries.

A Well, at the present time there is several million dollar industries that is anticipating settling in our area and they have taken those factors into consideration and are still proposing to come.

Q Thank you, Mr. Lewis. Now, that has been a little irregular , you are the witness and Mr. Slaght has been answering questions?

A Yes.

Q Well, these court reporters have to certify that the transcript that they deliver to us is true and correct and I am going to ask you if you are prepared to adopt as your own answers those answers that were given by Mr. Slaght?

A Yes sir.

Q Are you?

A Yes sir.

MR. DAVIES EXAMINES THE WITNESS:

Q Mr. Chairman, there was another matter I intended to discuss with this witness which I would like to discuss before he goes. Would you tell the Commission how many other members are on the

Q (Cont.) development Board that you sit on beside yourself?

A Five.

Q Is that group to which you are referring the Planning Advisory Commission under Section 89 of the Act?

A I am not --

Q Is that all it is, the Planning Advisory Commission?

MR. SLAGHT: Well, we call it the Interim Development Board, I imagine that is what the set-up is under --

Q MR. DAVIES: How many members are councillors, if any?

A Just one, just one, the Reeve.

Q One member is a councillor and four are citizens within the area?

A Yes, three citizens and the assessor is on that Board and a member of the Planning Commission.

Q Yes, now one other question, I understand you live just outside the green belt?

A That is correct.

Q And how far would your farm be from the west boundary of Jasper Place town?

A Well, it is --

Q In a direct line?

A The east boundary is one mile from the green belt.

Q How many acres do you farm?

MR. ROBISON: I can't follow there, that answer to a direct question, a direct answer to your question, that doesn't mean anything to me.

Q MR. DAVIES: I understand him to say that your east boundary of the farm is one mile from the west boundary of the Town of Jasper Place?

A No, I said the green belt, now I mean --

MR. ROBISON:

Q /Can you give a direct answer to that question of Commissioner Davies?

THE CHAIRMAN: Mr. Lewis, surely you know the distance of your farm, it doesn't need to be calculated for you by Mr. Slaght.

A The District of Jasper Place goes quite a ways out and it comes in the middle of a section even.

Q MR. DAVIES: Well, roughly speaking, about three miles?

A About three miles, four and a half miles.

MR. SLAGHT: I just don't know just where --

MR. ROBISON: Mr. Lewis knows where his own farm is, doesn't he?

MR. MOFFAT: Mr. Chairman, I think I might just clarify one point, apparently the gentlemen are having some difficulty between the boundaries of the Town of Jasper Place and the boundaries of the school district of Jasper Place and I think --

MR. DAVIES: The Town of Jasper Place I am talking about.

A Three miles --

THE CHAIRMAN: Do you farm in the south half of Section 3, what is the description of your farm?

A The south half of 31-52-25 is the resident description --

Q 31, a half section?

A That is right.

Q The east boundary of that is two miles from the Town of Jasper Place?

A Yes sir.

MR. ROBISON: Have you never walked it, Mr. Lewis?

A Yes, once or twice.

Q MR. DAVIES: Mr. Lewis, the question I want to ask you is a personal one and as a farmer residing near Edmonton, not as a, particularly as a member of this Committee, the City of Caracus, in Venzuela, largely as a result of oil development in thirteen years the population went from 300,000 to 900,000 people, as a farmer, who is established close to the boundaries of the City of Edmonton are you prepared to face the fact that Edmonton, having regard to its potentialities may expand out and ultimately absorb your farm into subdivisions?

A Yes sir.

Q And do you look upon that as more or less inevitable?

A Yes.

Q Is this a matter of concern to you to the extent that you would take the view that you don't want to see the Edmonton boundaries expanded?

A No sir.

Q You are prepared, as a citizen, to acknowledge that may be the logical development that will ultimately absorb you, you are prepared to face that as a reality?

A On one condition that we don't work under two rules

A (Cont.) as we are at the present time. The green belt at the present time establishes a commercial area, a potential commercial area, that is on paper I guess it was, it is, but our assessor, under the Municipal Act, can come in and assess that land as potential commercial land out of all proportion. Now, that is why we were saying that we would rather be in the city completely because we have more faith in the, in the agricultural policies of the city than we have in the divisions where the, where we are in between both, one setting up rules and the other taxing them as a source of income for the whole municipality.

Q Do I understand that what you said is that merely because land is lying in the green belt today, although it is used solely for agriculture, that there are some assessors, some additional assessments taxed onto it or tacked on to it, rather?

A Yes sir.

Q Even though it continues to be occupied exclusively agricultural?

A Yes, under the farm, under the municipal arrangement if it is under 20 acres it can be, it is not a farm any longer. We have had quarters that were around $40.00 an acre and with this new assessments they went to two hundred. Now, luckily, because of a technicality, these older citizens were able to get relief, their assessment was after July the 1st and they have it postponed but that danger of

A (Cont.) this high assessment hasn't been removed.

Q Now, that is not in respect to a parcel of less than 20 acres that you are talking about now?

A Yes, I am talking less than 20 acres.

Q Oh.

A The land that was subdivided years and years ago.

MR. ROBISON: That isn't what we are thinking about.

A We are in the green belt now though, these people are.

MR. ROBISON: That is subdivided land, less than 20 acres, you are talking about, is it?

A Yes, those people, they are the people that are getting into trouble, 20 acres of land, of course, is a farm in a municipality, anything less than that and there is a lot of your land in the green belt that is small acreage.

Q MR. DAVIES: Well, are there people there who are farming in the green belt with less than 20 acres, that are actually just farming and making a good living?

A Yes, I mean there is poultry people, things like that and fur farmers.

MR. ROBISON EXAMINES THE WITNESS:

Q What is land, Mr. Lewis, just as a matter of interest, what is land out in your, where you live selling for, what is the average price of land per acre?

A A farm?

Q What is the market value of land?

A Well --

Q In your opinion?

A The value of course changes, that is as the assessment changes on different land but I would say over $100.00 an acre now, I mean farms that are away further out.

Q These industrial people, do they get land, all they wanted, for $100.00 an acre?

A There is not much change of that figure but they are buying some filling station land at a thousand dollars an acre.

Q Those are corners?

A Well, you are not allowed corners any more, the Boards don't allow that, has to be a thousand feet in or a thousand feet from the corners.

MR. BROWNLEE EXAMINES THE WITNESS:

Q Mr. Lewis, that provision to the effect that a parcel under 20 acres is not to be dealt with as farm land, that is a provision of the Legislation, not a provision made by the assessor in your municipality.

A That I will grant you but he uses the law, that is what I meant.

Q But that prevails in other municipalities?

A Surely but you don't have green belts in other areas.

Q No, I understand that. There are two, at least there is a plant, the Alexander Brick and Tile?

A Yes sir.

Q Which is already constructed in Division 1?

A Yes sir.

Q And how far from the city limits is that, roughly?

A A mile approximately.

Q And I understand that it is confirmed that there is to be a cement plant constructed by a Belgian firm, is that correct?

A Yes, I think on account of the soil, that is, enticed the brick company, that is why they have come into that particular area.

Q Yes, is that also within a short distance from the city limits?

A Yes sir.

Q Now, would it be fair to say that the ratepayers in Divisions 1 and 2 would oppose any annexation by the city of the area in which these plants are located leaving the remainder of Divisions 1 and of Division 2 without assessments from those plants?

A Oh, I think we --

Q In other words if a belt of two miles to the west of the city was taken into the city limits so as to remove these two plants from the Division 1, leaving the balance of Division 1 and Division 2 without those plants do you think your ratepayers would object?

A Well, the group at the west agreed to the green belt set-up as it is at the present time.

Q Well, I don't think that is a direct answer to my question.

A I got what you mean, well, naturally they wouldn't like to lose that assessment if --

Q Well, they would object, do you think?

A Well, I would imagine, yes, I think it is fair to say that, I mean it is, yes.

MR.HAYES EXAMINES THE WITNESS:

Q Now, Mr. Lewis, I am interested in this subdivisions part that you say, how many miles west of you are there subdivided lands?

A Well, in the old days there has been a lot of plans that have been taken away or discounted but it was almost to the over-pass at one time and there are attempts all the time to have it subdivided and that is where the Board is doing such good work to watch that development and see that it is being done to the best interests of everybody.

Q Well, Louis Normandeau just lived north of you, didn't he?

A On the adjoining quarter.

Q Did I understand you to say that his land has recently been subdivided?

A Yes, into approximately three acre plots.

Q Oh, yes, by the way who does this? Louis sold his property, is this some interest in the city here that are promoting this subdivision?

A Yes, Melton Real Estate people are promoting that.

Q By the way, what inducements are they offering to the public there?

A Well, there are people that want to go to the country in spite of everything and, how could I answer it better than that.

Q Well, they would object. Do you think?

A Well, I would imagine, yes, I think it is fair say that, I mean it.

MR. McKEE EXAMINING IN W. BRIEF.

Q Now, Mr. Lewis, I am interested in this subdivisi part that you say, how many there subdivided lands?

Well, in the old day there was been lot that have been taken away or discounted but is was almost to the over-pass at on time and there are attempts all the time to have it subdivided and that is where the Board is doing such good to watch that development and see that it is being done to the best interests of everybody.

Commander June lives north of you.

MR. CRTEN:

Did I understand you to say that his land has recently been subdivided?

Yes, into approximately three acre plo

Oh, yes, by the way who does that? Lewis and his property, is this some interest in the city here that are promoting this subdivision

Q That is the inducement then, three acre plots --

A Well, it is mostly under V.L.A. arrangement and if they own the land, I think they sell it back to the V.L.A. for a dollar and then they loan them enough to build the house, I think that is the set-up that prevails.

MR. DAVIES: Does a cow and cayuse come with each plot of land, Mr. Lewis?

A I hope not because I am next.

MR. DAVIES: It is a V.L.A. project though?

A Yes.

Q MR. DAVIES: Will these people that go on the three acre plots be entitled to have a cow and have chickens?

A Well, they can have chickens all right but I think you can't keep them from having cows, I will have to ask the councillors what the by-laws are going to be on that but I don't think there is any real objection. There is a herd law though.

Q MR. HAYES: Now, this high taxes that you gave us on the quarter section does not refer to any sub-division plan or anything, just a straight farm quarter?

A Sure.

Q Now, having in mind that I know where your farm is, would you tell us what the taxes on your particular half section are?

A Well, I have a lot of rough land, I have more land than I mentioned, I have a section of land with a little less than --

Q Let us just take that half that is south -- yes, the south half of 31.

A Thathas over 200 acres broken on that quarter, on that half and the taxes are about $400.00.

Q On the half?

A On the half.

Q What would the assessment be on the half?

A That one quarter is close to $4,000.00 and the other is twenty nine.

Q Which sums up to sixty nine hundred altogether?

A I am paying on less than $400.00, or 400 acres practically $2.00 an acre and that is what we pretty well figured out the cultivated land in that area is worth now, there is land that can't be cultivated and it is naturally lower assessed, it is about $2.00 per acre we are paying for our land, that is cultivated land.

Q I don't want to get personal but have you had any offers on your land for subdivision purposes?

A Yes.

Q You don't need to offer any more, that is all.

THE CHAIRMAN: Now, any other questions? All right, thank you Mr. Lewis.

A Thank you.

(The witness retires.)

THE CHAIRMAN: We are now ready to proceed with the Edmonton Chamber of Commerce.

A. D. McTAVISH, having first been sworn, examined by The Chairman, testified as follows:

Q I will just give your brief a number, Mr. McTavish,

Q (Cont.) it will be number 141E.

A Thank you, sir.

Q And if you will just proceed, Mr. McTavish to read your brief.

A Thank you, sir.

EDMONTON CHAMBER OF COMMERCE BRIEF IS ENTERED AS EXHIBIT 141E.

"Gentlemen:

On behalf of the Edmonton Chamber of Commerce, I am pleased to submit the following brief for your consideration and, at the same time, to express our appreciation for the opportunity which you have afforded us to be heard on the important matters which are the subject of your enquiry.

SUBMISSION

by

THE EDMONTON CHAMBER OF COMMERCE

to

THE ROYAL COMMISSION ON METROPOLITAN DEVELOPMENT OF CALGARY AND EDMONTON.

The Chamber has long been aware of the problems with which the City of Edmonton and the surrounding area have been, and are still, faced. From the first announcement of the intention of the Alberta Government to appoint this Commission, the Chamber has been studying the various aspects of the problems with the hope that it could be of assistance in arriving at a solution. After much consideration, the following submissions

A (Cont.)

"have been approved by the Council of the Chamber. The problems have been canvassed and expressed many times in the evidence already before you.

These problems are not peculiar to the Edmonton area, but exist throughout Alberta and Canada, and are, in a great measure, the natural result of inevitable growth and industrialization of the whole country, augmented by the war and subsequent economic developments. Municipal governments have been faced with additional costs, which have not been off-set by additional income, while the Federal and Provincial Governments have retained the most profitable sources of revenue.

OIL DEVELOPMENTS:

Undoubtedly, the problems are more severe in the Edmonton area than in many other areas, but that is merely a matter of degree. The oil discoveries in the Edmonton area have undoubtedly been a major factor in the great growth and expansion of this City and the whole province. It would be a great mistake to conclude that the discovery of oil in the area has resulted only in problems, without benefits. There is undoubtedly an imbalance between the residential and the commercial and industrial assessments in the City and the surrounding area

A (Cont.)

"but, while ideally, such an imbalance is undesirable, it cannot be cured by boundary alterations alone.

ASSESSMENT AND TAXATION:

The solution goes much further and involves a consideration of the whole field of assessment and taxation throughout Alberta and Canada. For example, many feel that the burden of taxation, particularly for education, under our present system of taxation, falls much too severely on real property. The cost of education should be assumed, in larger part, by the provincial government, which has this responsibility under the British North America Act, and such assistance should be given as a matter of right, not of grace, computed on a sound basis, applicable throughout the province.

PLANNING:

The Chamber appreciates the necessity of proper planning, both on a local and regional basis. The Chamber recognizes the need for low-cost housing, but wishes to express strong opposition to any development which might result in slum areas. The Chamber therefore suggests that low-cost housing areas must be strictly controlled in respect to health, sanitation and safety.

A (Cont.)

"There must be a regional planning body, with adequate authority. Recent experience in the Edmonton area illustrates the futility of a regional planning body, lacking such authority. The constitution of that body should provide adequate representation of all municipalities within the region. Its decisions must have binding effect, but there should be protection by way of appeal, not only by the municipal governments, but also by parties affected by any decision to a competent appeal board.

APPEAL BOARD:

The Chamber feels that the appeal board should be judicial, or at least quasi-judicial, e.g. the Board of Public Utilities Commissioners. The Chamber disapproves of appeals being made to a board or committee consisting of civil servants, or officials, who have charge of, or advise the very body or party from whose decision the appeal is made, and also disapproves of any appeal being disposed of without a public hearing. The suggestion that the appeal board must have technical members is unsound because such a board should be like a court and adjudicate after all necessary technical evidence is before it. This would avoid any suggestion of bureaucracy, and be

A (Cont.)

"consistent with well-established principles of justice. The Alberta Associated Chambers of Commerce and Agriculture and the Canadian Chamber of Commerce have passed resolutions deprecating the practice of giving to officials or boards powers which can best be exercised by judicial bodies and thereby depriving parties involved or affected of access to the courts.

INDUSTRIALIZATION:

Our provincial government has fully appreciated, and publicly pronounced, on many occasions, the desirability of improving the economy of the province by encouraging industrialization. The merits of this policy are highly commendable and are consistent with the aims and objects of the Chamber, and this Chamber hereby affirms its support of this policy. The Chamber recommends that Alberta legislation should -

a) put Alberta in the same competitive position as other provinces with respect to assessments; and

b) put all municipal or local governments in Alberta in the same competitive position with respect to assessments.

Alberta, geographically, is not as favorably located as some other provinces where

A (Cont.)

"seaports, short freight hauls, large population with, among other things, adequate labor supply, exist. Therefore we must endeavor to off-set these geographical dis-advantages.

The presence of industry tends to attract other industries. What we already have in the Edmonton area will attract allied industries. They tend to cluster together for valid economic reasons. Therefore, it is the Chamber's view that anything which would hinder this natural development should be avoided. If the inclusion of the industrial area within the City's boundaries would mean unduly increasing the tax burden on industries and prevent the advantages of their clustering together, then industry will tend to locate elsewhere, and the advantages the City would receive from the growth of this industrial area in its vicinity would disappear."

Q THE CHAIRMAN: I should have mentioned to you, Mr. McTavish that you have the privilege of sitting instead of standing while you are giving your evidence.

A Quite all right, sir, I prefer to stand.

Q Mr. Macdonald, have you any questions?

MR. MACDONALD: We haven't had an opportunity of really considering the brief in its present form,

MR. MACDONALD: (Cont.) as presented this morning, sir, I wondered whether there would be an opportunity, however, to examine after lunch.

THE CHAIRMAN: Yes, are you ready to go on, Mr. Brownlee or have you got the same idea that you would rather do it after lunch?

MR. BROWNLEE: Quite frankly, yes sir.

MR. MOFFAT: Sir, I wouldn't mind beginning but I wouldn't get nearly through and it might be just as well to leave the whole thing until after lunch.

THE CHAIRMAN: Would it be convenient for you to come back at two o'clock, after lunch?

A Certainly, sir, very well.

THE CHAIRMAN: All right, we will adjourn to two o'clock.

MR. ROBISON: Could I say one thing before we adjourn, Mr. Chairman, I was interested to note that Mr. Harries received his doctorate the other day and I think the Commission would like to congratulate Doctor Harries on receiving that noteworthy stand in view of all that transpired last fall.

THE CHAIRMAN: We do that jointly and severally, Doctor Harries.

DOCTOR HARRIES: Thank you, sir.

(At this point the Commission adjourned until two o'clock this same date and reconvened.)

PROCEEDINGS AT 2:00 P.M., MONDAY, JANUARY 9th, A.D. 1955.

A. MACDONALD, ESQ.; Mr. Chairman, and Commissioners, Mr. Garside had to be in Calgary today for certain meetings with his worship, the Mayor, and, therefore, I am substituting for him in this regard. In connection with Mr. McTavish's brief, we do have a few questions, sir, which I would like to address to him, and then Mr. Moffat wishes to address certain further questions to Mr. McTavish.

MR. MACDONALD EXAMINES THE WITNESS:

Q Just by way, Mr. McTavish, of getting the broad background of the brief, I wonder if you would advise the Commission whether the Chamber Brief is studied out or worked out by the Executive or by a committee of the Chamber or whether in fact it is the result of something tantamount to a general meeting?

A I can answer that by saying that the Edmonton Chamber of Commerce is composed of approximately fourteen hundred members, and from among that number a council is both appointed and elected, mostly elected, and this council is the governing body of the Edmonton Chamber of Commerce. They in turn appoint certain committees from among their own members and the general membership; one of these committees was the Civic Development Committee, and it was the particular group that was charged with the preparation of a brief for this Commission. They brought in quite a succession

A (Cont'd) of a, quite a succession of drafts of a brief to the council of the Chamber and eventually the brief that was passed is the brief that is before you today.

Q And, Mr. McTavish, is there any professional consultant or consultants, economic consultants, or others, who were involved in the preparation or may we say that this is the Chamber members' cross-sectional viewpoint that is distilled here?

A I think that it is fair to say that this is the Chamber's cross-sectional viewpoint, as you put it. We did employ an economist merely in a consulting capacity and merely for the purpose of bringing before our committee some of the problems which appeared to him to be relevant. However, taking those problems, we took whatever facts we wanted and we proceeded to make up our own brief.

Q Thank you. On page 2 of your brief, sir, the second line from the top, there is a reference made to the expansion of the City, relating it to the expansion of the whole Province; I wonder whether in working up this brief the Chamber reached any conclusions as to the probable continued expansion in terms of population growth of Edmonton for, let us say, the next twenty years?

A No sir, we have no figures on that.

Q And are you even able to say whether it is the view of the Chamber that expansion will probably continue, or is that something you are not able

Q (Cont'd) to say?

A No, we have no suggestion about that. We are optimistic, of course, but most Chambers of Commerce are.

Q Yes. You were perhaps present when Mr. Dant, speaking purely in his personal capacity, made reference to certain satellite towns as being a desirable thing; I take it from your previous answer then that any questions such as the desirability or otherwise of satellite towns is one that the Chamber has not canvassed?

A The general problem has not been canvassed. We have considered specific proposals for subdivisions on the fringe of Edmonton but nothing definite, but nothing of a general plan, shall I say.

Q In that same paragraph, Mr. McTavish, the concluding sentence, referring to the question of imbalance says that the imbalance in the opinion of the Chamber cannot be cured by boundary alterations; I wonder whether you would be able to hazard an opinion as to whether the conditions can be improved although not cured by boundary alterations?

A Well, I don't know if it would be an improvement and for whom it would be an improvement; it would probably be an improvement for the City and anything but an improvement for certain of the taxpayers involved. I think the difference is that the Chamber would tend to take a broader point of view on this than would the City corporation.

Q Well then, in other words, not that we are in any sense disagreeing but I want to be quite clear, we want to be quite clear, at least I wish to be quite clear; to put it another way then, the Civic Development Committee of the Chamber comprises certain persons who are residents of the City but also contains within it certain persons or interests beyond the City limits?

A Well, I didn't say that. I said that there is a committee of the Edmonton Chamber of Commerce called the Civic Development Committee.

Q Yes?

A It just does the work and brings the result of its work to the council of the Edmonton Chamber of Commerce.

Q Yes?

A The council is the organization that speaks.

Q Right, and the council then would speak for interests which might be to some extent beyond the municipal limits.

A There are members of the Edmonton Chamber of Commerce who do not happen to live in the City.

Q Yes, that is why you say that you would not wish to be bound as a Chamber to what you term the "narrower point of view" of the municipal council, that is all I wish to point out?

A Oh, no, there are quite a number of farmers, for example, in the Edmonton area who are members of the Edmonton Chamber of Commerce.

Q Now, if we agree for discussion that the imbalance could not be cured by boundary alterations; I wonder

Q (Cont'd)if you could express an opinion as to whether the expansion of municipal limits, the expansion of boundaries might tend to give a more generally desirable control over the growth trend?

A You are getting into the problem which is discussed in our brief under the general section of "planning", and I think I should merely refer you to the brief and suggest that the Chamber appreciates the necessity of proper planning both on a local and regional basis, and I think that is the answer to your question.

Q Well, would you agree with me that the Chamber is not against boundary alterations providing there are other numerous factors which you have dealt with in here taken into account?

A That is the situation.

Q Now, in the next paragraph, sir, where planning is being dealt with, on the fourth line there is a reference to development:

> "The Chamber recognizes the need for low cost housing, but wishes to express strong opposition to any development which might result in slum areas ..."

Now, is that "development" to be taken to relate to a boundary extension or is the word "development" there used in a different sense, I am not entirely clear and I wanted to be clear on what the meaning of the word "development" was as it is found there?

A I think it refers to an area development, that is a new subdivision or an area within the City or outside the City.

Q A particular subdivision which might be substandard, is that it?

A That is a possibility, yes.

Q Is that what the word "development " is referring to, it is not referring to "development" in terms of municipal boundaries?

A No.

Q Yes. Now, I pass on now to the foot of page 4, Mr. McTavish, and the concluding sentence, sir, in the first full paragraph on page 4 read:

> "Therefore we must endeavour to off-set these geographical dis-advantages."

I was not entirely clear, sir, as to what the Chamber meant by the means, the statement is made that the disadvantages must be off-set, I was not entirely clear whether the Chamber was suggesting that what had gone before in that paragraph, namely, a new approach to assessment, would be a means of off-setting the disadvantages, is that the intent?

A Well, it is not a means of off-setting it but it is an endeavour to off-set these disadvantages by putting the competitive advantage, pardon me, by putting the competitive situation more or less even as compared one province with another.

Q Well, that is all I wanted to be clear on, sir, that then that that last sentence is a reference to what is in the paragraph that precedes it,

Q (Cont'd) is it?

A That's right.

Q Yes. Thank you. Now, towards the end of the paragraph, I am sorry, towards the end of the page, the last complete sentence has these words:

> "If the inclusion of the industrial area within the city's boundaries would mean unduly increasing the tax burden ..."

And so on, I suppose you would agree with me that what is a due or an undue increase is an extremely difficult thing to decide upon?

A It certainly is.

Q Now, had the Chamber any particular figure or amount in mind in using the term "unduly increasing"?

A No, I think we have to judge each particular case on its merits.

Q What is the view of the Chamber on the present taxation burden as it falls on businesses and individuals in the City, is it regarded as being reasonable or in this language a "undue burden", I am speaking now of the businesses which find themselves competing from within the present municipal limits?

A I don't think the Edmonton Chamber of Commerce has ever issued a statement on that but I think you can imagine as well as I can what it would be; nobody likes to pay taxes, that's it.

MR. ROBISON: What does that mean, Mr. McTavish, in reference to the question you were asked?

Q MR. MACDONALD: Are they fair and reasonable as of now or are they undue, I am only trying to get some yardstick to judge the phrase that is used, "unduly increasing", you see?

A All I can say, sir, is that they are living with the taxes now, they seem to be getting along, they are continuing in business; I don't know that I can be any more specific than that.

Q I think that is all I have, thank you, sir, but if you would, if the Commission agrees, Mr. Moffat has certain questions.

MR. MOFFAT EXAMINES THE WITNESS:

Q I believe you are aware, Mr. McTavish, that the population of this area, the City, Jasper Place, Beverly and the industrial area, taking it as a whole, has been increasing around fifteen thousand a year for the last two or three years; does the Chamber have any suggestion as to whether that rate of growth is likely continue for the future?

A We have no way of guessing.

Q Have you any evidence that it is not likely to continue?

A No. We get trade inquiries from time to time, most of them on a confidential basis of course, but they have continued to come in at a more or less uniform rate within the last little while.

Q The total population of the area now stands at roughly two hundred and twenty-five thousand, is that correct?

A So I am informed, yes sir.

Q Do you suppose it would be reasonable to expect that, say, over the next ten or fifteen years it might go up to three hundred thousand?

A That is your guess, not mine.

Q Do you have any reason to think it would not go that high?

A No reason to think it would or wouldn't, just no comment.

Q Suppose I was to go as high as three hundred and fifty thousand?

A The same answer.

Q Would the Chamber of Commerce like to see it go to three hundred and fifty thousand?

A Well, if we want to be somewhat childish, maybe I should say and want to boast about a statistic, well, maybe it might be all right to have a large figure for the population of this City. I would like to say in passing reference to that question, Mr. Moffat, that we have been impressed in the studies that we have made of this problem with the fact that the bigger the city the more the cost of administration of that city per capita increases, and it is, there is a strong case, it seems to me, to have a comparatively small city and a series of satellite towns. However, we can't forsee any development one way or the other because it is pretty well impossible to control the growth of a thing like this that is alive and developing so rapidly.

Q Have you seen any evidence that the cost as population grows, that the cost goes up more slowly if there are four or five satellite towns around the outside than it does if it is all in one city?

A No, we haven't had any information of that kind.

Q Do you think it would be reasonable to suggest it would probably go up more slowly if it were all co-ordinated into the one system of servicing rather than three or four or five competing units?

A That is what appeared to be the inference of the information we had. However, that is a technical matter and I think we better refer that to the technical planning authorities, they must have economic studies in connection with that problem.

Q Well, could I ask you the question in general terms, this way, if it seems likely that this area will go to a population of, say, three hundred and fifty thousand in the next fifteen years or so, does the Chamber have any views as to whether it would be advantageous financially and otherwise to have the thing grow up in one pattern or to have it grow up in a series of disjointed administrations?

A There is no question on that, there is no conclusion on that, we have not, not studied that particular problem from that point of view.

Q I wonder if we could do what we have done with some of the other witnesses, if your organization does not have any opinion do you have any personal opinion

Q (Cont'd) yourself on that kind of a question, you are one of the people who are pretty close to the developments in the area?

A I have no strong feelings one way or the other, sir.

Q Well, thank you. Now, if I could turn over to a different aspect of this matter. Your brief on page 4, where Mr. Macdonald asked you a few questions, you refer to a suggestion that Alberta legislation should put Alberta in the same competitive position as other provinces with respect to assessments; now, you use the word "assessments" there, and I take it what you really mean is taxes, isn't it, it is not assessments as such, it is a combination of assessment and mill rate, it is the total tax burden in other words?

A No, I think it is assessments.

Q Assessments only. Do you suppose then that if it is a good idea to put Alberta in a position to be competitive with other parts of Canada, it might be also advisable to put Edmonton City in a position comparable with other parts of Alberta?

A That is point (b) on page 4 there.

Q Well then, that being the case, do you suppose it is satisfactory to the business-es within the City of Edmonton to have immediately adjacent to them an area which has a different assessment level and a mill rate that is about half of what is applying in the City?

A Well, you can't possibly govern the mill rates in the different parts of the country. There are so

A (Cont'd) many different problems connected with geographical location, water supply, labor supply, fuel and all the rest of the factors which go to make up a choice industrial site, and the most that legislation can lay down, it seems to me, is a reasonable assessment basis which would be uniform throughout the Province.

Q Throughout the Province, I was going to ask you ?

A Throughout the different municipal and local governments, I would say, that is the phraseology that is in the brief.

Q Assessment level?

A That's right.

Q What about the mill rate?

A Well, that is up to the local governments.

Q Suppose that two industries are drawing the same kind of services from a community, but there is an artificial boundary between them on a municipal basis, don't you think it reasonable that they should both have about the same tax payable to local authorities?

A I think that it is up to the Alberta legislation to lay down a reasonable assessment basis for both of them.

Q Do you think that the businessmen whose business is located within the boundaries of the City would take that point of view?

A That is the point of view taken by the Chamber of Commerce.

Q But I notice that you were very careful to specify that the Chamber of Commerce represented a wider area; but what about the businessmen within the City itself?

A Well, I am not going to try to infer that all fourteen hundred members of the Chamber of Commerce have all read this brief and all agree to every comment in it, but I would say certainly that the majority opinion, the overwhelming majority opinion of the representatives of that group have approved this brief just as it is.

Q And that they are concentrating on assessment rather than on total tax?

A That's right, that's what it says here.

Q No, I wasn't asking you what it says there, I was asking you what the opinion of the businessmen in the City is?

A That's right.

Q Yes, well, those are all the points I have for you.

MR. BLACKSTOCK: Mr. Brownlee?

MR. BROWNLEE: I have no questions, sir.

MR. DAVIES EXAMINES THE WITNESS:

Q Just following up, Mr. McTavish, what Mr. Moffat has said, the Chamber is concentrating on the point, point (b) on page 4, put all the municipal or local governments in Alberta in about the same competitive position with respect to assessments, you recognize of course that if industry, even assuming the assess-

Q (Cont'd) ments are all the same, that if industry concentrates in one area, that they can get their mill rate and taxes down to practically nothing, don't you?

A That's right.

Q Does the Chamber of Commerce have any opinion as to any indirect responsibility of industry towards making some sort of contribution towards the expense that arises within the area of the municipal authority that is to provide the houses, the police protection, the fire protection, curbs, sewers, gravelling, and water, and boulevards, and what not?

A I don't quite get that, you have asked whether the Chamber of Commerce --?

Q Well, let's put it this way, let's suppose that there were no industries located within the boundaries of the City of Edmonton and it is all located outside of the boundaries of the City of Edmonton, but all of the people who work in the industries are located in the City of Edmonton, so all their schooling, and all the services that arise in connection with where they live is in one municipality but all the taxation of the industries where they work is in another area, does that clear up the point I want you to get at?

A Yes sir, and I think in answer to that I better refer you back to page 2 of the brief where we say that there is an imbalance between the commercial and industrial assessments as opposed to residential assessments within the City of Edmonton

A (Cont'd) and within the other municipalities concerned in this inquiry; and we admit that such an imbalance is an undesirable thing but it cannot be cured by boundary alterations alone, and then we go on to suggest certain other solutions or rather a solution which we think goes much further and would meet the situation.

Q Well, just exactly what does that solution, what is that solution?

A The solution briefly is that there should be larger grants to municipal governments from senior governments. The historical basis of it, of course, is well known to this Commission. The municipalities, the municipal governments when first set up probably were given enough taxing power or potential tax revenue to meet the requirements which they would have to meet, the responsibilities they would have to meet, particularly in the field of education. Over the years the costs of education, as the outstanding example, have gone up and up and are continuing to go up. Well, the tax base has not continued to increase, and so we suggest that the Federal and the Provincial Governments, who have the more profitable source of revenue, should quite properly contribute to those, to the municipal governments and help them out.

Q Well, let us suppose for the purpose of this argument that the Province took over 100% of the cost of education; are you, you are not suggesting that that would

Q (Cont'd) in itself then settle the imbalance in the assessments, are you?

A No, it would not, but it would go a long way, it would go much further than any otherpossible solution such as mere changing of boundaries, for example.

Q Well, let us just go back and analyse that; supposing the Province is paying 100% of the cost of education in the City of Edmonton and 100% of the cost of education in the M.D. of Strathcona; if that situation is true on each side of the boundary how does the suggestion correct any imbalance there is in disproportion in the assessment for the purposes of taxation for all these other municipal services?

A I think the answer there is on page 2, the first paragraph:

> "There is undoubtedly an imbalance between the residential and the commercial and industrial assessments in the City ..."

That is within the City there is imbalance,perhaps,

> "... and the surrounding area but, while ideally ..."

That is, there is an imbalance possibly within that particular area. Does that answer your question, sir? What I am thinking about is the suggestion that has been made on many sides that there is getting to be an increasing proportion of residential assessment in the City as compared with commercial and industrial assessment. That is the

A (Cont'd) imbalance I am talking about.

MR. ROBISON EXAMINES THE WITNESS:

Q Mr. Davies, just excuse me for a moment right here. Would you not agree that the Province, in making grants, is most interested in the assessment situation in the municipality concerned or two municipalities; in other words, in uniformity as far as possible, would you agree with that?

A So I am informed.

Q Supposing that the municipality of Edmonton has a rate of 5 and an adjoining municipality 55, now that is extreme, wouldn't the Province in making grants be interested in whether the municipality A was properly assessed or not?

A Yes, I think they would be concerned, very much so.

Q Therefore, when we use the word "imbalance" in a general sense like this it does not convey very much, does it?

A The imbalance here, I think represents or refers to the comparison between two different types of assessment, one, residential and two, commercial and industrial.

Q Yes, but I was referring to what my colleague was saying when we were trying to learn the relationship between two adjoing municipalities.

A I understand.

Q I am using the word "imbalance" in that connection and in the same connection I put --

A He has used the word "imbalance" in that connection but we have not.

Q Yes, but he has asked you what you think, though, and I would like to hear what you have got to say?

A Well, I just simply say that that is an advantage that one area would have over another, I cannot see anything else for it, and you cannot eliminate completely differences of that kind, as long as you have got different areas of jurisdiction.

Q Therefore one municipality could enjoy a most favourable rate so far as assessment and taxation was concerned while an adjoining municipality for various reasons might be in an impossible situation?

A It is theoretically possible, yes.

MR. DAVIES EXAMINES THE WITNESS:

Q Mr. McTavish, the Sherritt-Gordon Plant, as you know, immediately adjoins the town of Fort Saskatchewan's boundary; we have had filed with us a brief by the town of Fort Saskatchewan which points up this fact, that although the school in the town of Fort Saskatchewan is in Clover Bar School Division and has the advantage of the assessment of the M. D. of Strathcona, that by reason of the fact of, by reason of the fact that all the workers, or, let us put it this way, about half of the workers of the Sherritt-Gordon Plant live in the town of Fort Saskatchewan, that their position is threatening to become very serious because they have not got some of the assessment

Q (Cont'd) from that plant: in other words, in a smaller area than Edmonton the situation is pointed up that it is the municipal area of the town of Fort Saskatchewan that has to provide all these other services, these municipal services as ditinct from school, and they find, they are finding that they cannot do this without having some of the assessment that goes with where those workers are employed, and they are asking in their brief that the Sherritt-Gordon Plant should be included within the boundaries of the town of Fort Saskatchewan. Now, as a matter of principle how would that fit into this brief, how would that fit into these principles that you are establishing that you are submitting in this brief?

A I think it is on page 2 in the second paragraph. We have suggested specifically that the cost of education should be assumed in larger part by the Provincial Government, but we didn't limit it, we don't limit this assistance from the senior governments only to the matter of education but we suggest that assistance should be given as a matter of right, not of grace to municipal governments simply because they haven't got a large base for tax revenue which is enjoyed by the senior governments.

Q I think you misunderstand me. I think you misunderstand me because for school purposes the town of Fort Saskatchewan school is in the Clover Bar School Division.

A And it is well looked after.

Q And it is well looked after, at the moment, because it has, it has recourse to the assessment of the M.D. of Strathcona.

A Yes.

Q But their plea is not so much on the basis of school costs, it is on the municipal services arising out of having to find land and requisition land at a thousand dollars an acre, and provide the roads and the streets and the sidewalks and police and fire protection and health services, they point out that they haven't got a hospital at Fort Saskatchewan, that they haven't got any pavements whatsoever, no paved roads, all these things are coming up, that the amount of sewer and water system that they planned in 1950 or in, yes, 1950 to last them for twenty years is now within about three years time all absorbed: now, just looking at this apart from school, as a matter of principle, would you, would you not go so far as to say that when an obvious and easy opportunity comes to correct imbalance in assessment by reason of the contiguity of the areas, that no hesitancy should be exercised in taking up that opportunity to correct it?

A I think it is up to the Provincial Government in this particular case, because the municipalities are creatures of the Provincial Government, it is up to the Provincial Government to correct difficulties such as have been encountered by Fort Saskatchewan, by means of increased grants; that is as far as I can go.

Q Let me put it one other way, if the Sherritt-Gordon Plant were five or six miles out of Fort Saskatchewan I don't think that anybody would suggest that it should be annexed to the town of Fort Saskatchewan, even though the workers lived there, for the purpose of restoring some balance in the town of Fort Saskatchewan assessment, but the situation is that the Sherritt-Gordon Plant is immediately contiguous to the boundary of the town: now, under such a circumstance do I understand that the brief of the Edmonton Chamber of Commerce is that where because of contiguity an opportunity arises to correct imbalance of assessment, that it should not be acted on?

A No, I didn't say that. We just, I simply say that such a situation cannot be cured by boundary alterations alone. There are other aspects of this business beyond boundary alterations, sir. One of the other aspects is the aspect of planning, it may be in the town of Fort Saskatchewan, the overall plan for that area should encompass the industrial area including Sherritt-Gordon, maybe it should not, that is a technical problem.

MR. ROBISON: And a financial, possibly?

A Oh, yes, it is a financial problem as well as a technical problem.

Q MR. DAVIES: Does the Chamber of Commerce, am I to take it by implication, more or less favour the theory of optimum limits of population for an

Q (Cont'd) urban centre like Edmonton?

A We haven't been able to get enough information on that point to even mention it in the brief, sir, it has been thrown around --

Q I thought you mentioned in your evidence, Mr. McTavish, when you made your reference to bigness, that you are opposed to bigness in itself?

A We have had some information put before us but it has been in such general terms that we just have no opinion on that point at all.

Q And you heard Mr. Dant expound his views on the question of the City being a regional, the regional city for the larger area?

A Yes.

Q Do those opinions appeal to you as being reasonably sound?

A We haven't got any opinions on that.

Q Do you like the picture that is painted?

A I am not too familiar with all its aspects; I heard some other evidence this morning to the effect the City should be extended 18 miles west too, I don't know about that one either.

MR. ROBISON EXAMINES THE WITNESS:

Q Mr. McTavish, I don't know whether we are going to get anywhere or not but we will try. On the bottom of the paragraph on "assessment and taxation" the statement is made:

"... computed on a sound basis ..."

Q (Cont'd) Could you amplify what is meant by that phrase?

A I am afraid that is a technical problem.

Q Well, whose responsibility is it, you have used the phrase, now I would like to know what you mean by:

"...computed on a sound basis ..."?

A Well, we did not try to put in a technical brief, sir, and I would refer you for the answer to that question to the experts on taxation and assessment.

Q And the Chamber of Commerce has no idea of what is a "sound basis", is that it? That is an amazing statement to me now, Mr. McTavish!

A Well, I guess from your question that you would mean you would want us to lay down the principles in the form of a draft of an Assessment Act or some such statute.

Q Well, I would like for the purpose of this brief, I would like for the purposes of this brief for you to spell that out a little bit, point out the direction a little bit. You see, we are all in favour of goodness and against sin, that is the general principle, we are all in favour of that sort of thing. It is easy to make general statemtns. Well, let us pass on to "planning".

A Well, I wonder if I could possibly give you a little bit of background on that. Such factors as population, assessment, age group of the population, which would include school age, communications within the area,

A (Cont'd) and similar general factors could be laid down as being relevant to the granting of assistance to municipalities. Now, the working out of a formula like that is a complicated process but basically it is a technical matter which is below the general principles which we trying to enunciate here.

Q Are you familiar with the Judge Report?

A No sir.

Q Well, let us look at "planning" for a minute on page 2, please. I refer you to the sentence commencing:

> "The Chamber recognizes the need for low cost housing, but wishes to express strong opposition to any development which might result in slum areas."

Has your Chamber, Mr. McTavish, ever made a study of this area, particularly Edmonton, of the possible need for low cost housing?

A No sir, we have not.

Q Has your Chamber ever considered whether "low cost housing" as you call it should be under public auspices or private auspices?

A No, we have no opinion on that either.

Q Do you know as a matter of history and fact whether "low cost housing", so called, is possible under private auspices?

A Speaking for either the Chamber or myself, I have no opinion on that, I am just familiar with what I read in magazines, that's all.

Q Do you or the Chamber believe that it is a field in which there is considerable debate going on?

A Yes.

Q The Chamber here has expressed no opinion one way or the other?

A No, we have given no study to that particular problem.

Q Are you or the Chamber familiar with Chapter 38, 1952, An Act To Co-operate With The Government Of Canada And Other Public Authorities In The Provision Of Housing?

A No.

Q Then I suggest what you have got to say about low cost housing does not mean very much. "Appeal Board", now and "Industrialization" on page 4; Mr. Davies questions you and I think Mr. Macdonald did too, Mr. McTavish, on subsection (a) there; are you familiar or is the Chamber familiar with any of the evidence which was put into the record before this Commission by Mr. Goldenberg on behalf of Canadian Chemicals?

A Yes, we are familiar with that in a general way.

Q With the situation in the City of Montreal and in the Province of Ontario under their Assessment Act?

A Yes, we understand the principle involved there, I think.

Q Where machinery used in manufacturies is not assessed?

A That's right, yes, that is the way I understand it.

Q Does the Chamber associate itself with that proposition, is that what is meant partially under subsection (a)?

A That's right.

Q You believe that The Assessment Act of the Province of Alberta should be revised together with The City Act?

A That is the bulk of the implication under subsection (a) and I would amplify that to this extent, that we are not prepared to argue the merits and demerits of taxing by one method or the other but we do say it would be better for the industrialization of this Province if the assessment basis were the same in Alberta as it is in other provinces.

Q Yes. Now, has the Chamber considered the matter of assessments in the City of Edmonton, do you know whether the assessment situation in this City is considered sound, have you any idea, has the Chamber?

A That matter was considered to some extent a number of years ago when there was a wholesale re-assessment of the City, I don't think it has been up for general discussion since that time.

Q Has the Chamber considered this, a matter that has been before the Commission directly and indirectly many times, Mr. McTavish, the matter of the greatly increasing costs of schools, both as to operation or operative costs, and capital costs, have you considered that?

A Just as a portion of the overall picture of increasing municipal costs.

Q There have been allegations, for example, that some of the capital costs of schools in the City of Edmonton are far more than they should be, would you have any comment to make on that, some of the high schools?

A The Chamber has no official comment on that.

Q They haven't eh, they haven't studied that?

A No sir.

Q Now, with respect to, and I am referring to a brief prepared for the Chamber of Commerce by Hu Harries in 1951, and I refer to page 43 of that brief. Now, I don't know what relationship the Chamber of Commerce has to this brief, whether you adopted it or whether it is just for information only, whether it is -- but I am going to read a paragraph.

A I am sorry, I didn't get what brief that was.

Q That is a brief prepared for the Chamber of Commerce, a study prepared for the Edmonton Chamber of Commerce, special committee on municipal finance, by Hu Harries, economic consultant.

A Oh, yes.

Q In 1951, and it is filed before this Commission as Exhibit 17-E?

A I know the one you refer to now.

Q Unfortunately The Secretary I understand did not have enough copies to go around. Now, I am going to read this paragraph:

> "Since 1948 Edmonton has 'lost' a substantial amount of industrial assessment to areas in the immediate vicinity of Edmonton. There is every

Q (Cont'd) "danger that a huge parasitical industrial community will be created on the borders of Edmonton. This community will escape the tax load of established business within the City and yet be dependent upon the City for housing and other City services required by its employees. Many cities are burdened with civic free-loaders and as urbanization proceeds they become more anachronistic and troublesome"

A lot of good words in this!

"They will be of particular concern to Edmonton which faces a very heavy load in the ordinary course of events."

I wonder what the Chamber of Commerce thinks about that?

A I think their stand then and now is quite consistent. That study was part of a general program with which we approached the Provincial Government with the idea of suggesting increased aid to municipalities, particularly to the City of Edmonton. Our endeavour at that time was to place before the City of Edmonton the proposition that Edmonton was a special case and it needed not only assistance but it needed more assistance than some of the other municipalities because we were simply growing a lot more rapidly than a lot of the other ones were. Our position is

A (Cont'd) the same now as it was then in principle.

Q Would you agree or the Chamber agree that the rapid industrial development on the outskirts of this City towards the east and Strathcona has created a great or not so great problem for the municipality of Edmonton?

A Oh, it has created problems, but all growth is associated with problems.

Q Well, I said --

A Mind you, I have got more of an answer to that though, just a minute. Page 4, pardon, page 2, the first paragraph:

> "It would be a great mistake to conclude that the discovery of oil in the area has resulted only in problems, without benefits."

Q I don't think that answers my question, what I would like to know is do you feel that the undoubted rapid growth of the municipality of Strathcona that borders on the City of Edmonton has created special problems for this urban area?

A Well, I will have to get you to define "special" then, I guess.

Q Let's not toy around with it, you know what I mean, you are hedging, Mr. McTavish.

A Not consciously.

MR. HAYES: In other words, he wants you to say something.

Q MR. ROBISON: That's right.

A I want to have something to say first.

Q Now, Mr. McTavish, I am going to be frank with you, I am disappointed in this brief from the Edmonton Chamber of Commerce; one of the big problems facing the Cities of Edmonton and Calgary is housing, what to do about people who have below a certain income level, and you have come in here with a pious recognition of the need for "low cost housing", and you can't tell this Commission anything about what should be done. Now, I think that is unfortunate from the point of view of this Commission. We need help, and surely we can look to the Edmonton Chamber of Commerce, a responsible body, to give us some help instead of generalities.

MR. BLACKSTOCK: Any other questions? Mr. Hayes?

MR. HAYES EXAMINES THE WITNESS:

Q Yes. Yes, I am wondering, Mr. McTavish, if municipalities, in other words, they live in one municipality and somebody has taxes, have you ever known a municipality that didn't want to get some assessment from another if it was industry?

A I am not personally familiar with that but I cannot imagine why they would act otherwise.

Q That's right. Well, you were here this morning and you heard Mr. Lewis ask that the City would be extended some 18 miles the other way?

A Yes sir.

Q That would be too far in your estimation, would it?

A We are not greatly concerned about the boundaries,

A (Cont'd) we don't think that the problems that are confronting the metropolitan area in Edmonton can be cured by boundary alterations alone, to quote our brief here. There are other problems, and the solution to the financial problem, is grants from the provincial governments or from the senior governments. The solution, as far as planning is concerned, is that there should be a proper planning authority for the entire region; and the solution so far as industrialization is concerned is that there should be increased or further steps taken along the lines that we have suggested here to promote industrialization within the Province: but none of those solutions necessarily involve alterations in boundaries, although they might do so.

Q Alterations in boundaries simply means taking from one, enriching one and impoverishing the other, that is about all it does?

A That could be the answer.

Q It does not create any new wealth in itself or anything?

A That is just about our point of view, yes.

Q What would you say from the standpoint that possibly industry should be under the assessment and taxation of the Province and divided up reasonably among the municipalities?

A That is a reasonable suggestion. I can't give you the opinion of the Edmonton Chamber of Commerce, we would like to think that one over for a little while.

Q Do you think it might have some merit?

A As a snap judgment I can't see where it would be opposed to the principles we have suggested here. It would be pretty difficult, just thinking it over for a moment to draw the line as to what industries are going to be assessed in that way; would a small industry employing five or six men or would you draw the line at one hundred employees,or just what would the situation be -- it has practical and technical difficulties.

Q What I had in mind, though, was the mobile equipment in rural districts, the Province finally took it over and they are going to divide the revenue which they derive from taxing of mobile equipment among the municipalities in proportion to the time spent in each municipality, and possibly they would have a formula of where the people lived and where they got their services and so on; in general terms the Province would collect the tax and disburse it among the municipalities in proportion to where they got their services to the people?

A Well, the principle appears to be sound enough, the practical application of that principle would bemighty difficult it seems to me.

Q Oh, everything is difficult.

A Well, we haven't studied it, we have no opinion on that, I would like to think it over and if necessary and if we think we can offer anything to this Commission we would be very glad to give you our opinions on it.

Q Well, as you can see from the Commission's standpoint we would like to explore all these avenues.

MR. BLACKSTOCK; Mr. Brownlee?

MR. BROWNLEE EXAMINES THE WITNESS:

Q Mr. McTavish, the brief of the municipal district of Strathcona has not been read yet; however, it contains a recommendation that there be established for the greater Edmonton area one Industrial Commission for the purpose aiding all areas in attracting industry; could you tell me whether in your opinion that would be supported by the Chamber of Commerce?

A Well, once again that is something that I can't speak about on behalf of the Edmonton Chamber of Commerce because we have not opinion on that specific question. We are simply interested in and we point out the desirability of improving the economy of the Province by encouraging industrialization. The Chamber affirms its support of this policy in the words of the brief.

Q Thank you.

MR. BLACKSTOCK: Anything further? That seems to be all, Mr. McTavish, thank you very much.

(The witness steps down.)

MR. BLACKSTOCK: Mr. Becker, are you ready to go on with Beverly Buslines?

MR. BECKER: Yes, Mr. Chairman.

THE CHAIRMAN: Well, we will do that at 5 minutes past 3.

MR. BECKER: Very good.

MR. HU HARRIES: Mr. Chairman, just for the record, in the quotation that Commissioner Robison read from the study that we did in '51, I think you will find that the word "lost" had quotes around it, and I thought that for the record they should be placed, the quotation should be accurately expressed in the record.

(At this point the Commission adjourned for 10 minutes and resumed.)

PROCEEDINGS AT 3:15 P.M.

MR. BLACKSTOCK: All right, Mr. Becker.

MR. BECKER: Mr. Chairman, I would like to present and read an additional short brief in regard to Beverly Bus Lines, a passenger carrier by bus that operates partly within and partly outside the City of Edmonton.

The principal purpose of it is to show perhaps the size of the project, and it isn't large, and the scope of its activities.

There is one other operator in the same category, and that is Diamond Bus Lines that operate inside and outside the City of Edmonton in other regions and areas. We are not, this Beverly Bus Lines is not a large project, and we are not able to offer anything definite or even as a suggestion to this Commission in reference to the advisability or otherwise of a Metropolitan area, expansion of the boundaries of the City of Edmonton or what might be done about roads and lanes and sewers and schools and that sort of thing, our experience is merely in regard to the operating of a public carrier of passengers for hire, and we are offering that brief merely from that very limited point of view.

The manager and the president of this company is ill at the moment and I would, therefore, like to read this as counsel for the Beverly Bus Lines.

MR. BLACKSTOCK: Will he be available later, Mr. Becker?

MR. BECKER: Yes.

MR. BLACKSTOCK: For cross-examination?

MR. BECKER: Yes, I think not for perhaps a week, but later on. I realize that the Commission may want

MR. BECKER: (Cont.) to ask questions that obviously I can't answer. I don't know anything about the actual business and technical operations of the bus line, however, Diamond Bus Lines follows us and Mr. McLeod manager and chief officer of the company is here, sir, and may be that a lot of the questions that you would want answered by Beverly Bus Lines might be answered by Diamond Bus Lines.

MR. ROBISON: Mr. Becker, just as you start, can you tell the Commission whether there has been a bylaw under Section 426 of The Municipal Districts Act.

MR. BECKER: If there has been?

MR. ROBISON: Yes, a bylaw passed.

MR. BECKER: I know of no bylaw, affecting this operation I know of no bylaw or legislation of any sort that affects the operation of Beverly Bus Lines.

MR. ROBISON: Are you familiar with that section?

MR. BECKER: No, I'm not, sir, but we have dealt off and on with the city solicitor on this operation for years, 15 to 20 years, and we know of no special arrangement, legislation or bylaw. Mr. Macdonald may know that, sir, but we have never heard of it.

MR. ROBISON: That would be the Town of Beverly?

MR. BECKER: Oh, you mean in regard to Beverly?

MR. ROBISON: Oh, I'm sorry.

MR. BECKER: No, not that I know, sir, I haven't heard of it.

MR. ROBISON: That would be under the Town and Villages Act.

MR. BECKER: Yes. So far as I can tell, the operation in Beverly has been by an informal arrangement

MR. BECKER: (Cont.) between Beverly Bus Lines and its predecessors and the Town of Beverly and similarly with the City of Edmonton. Originally there was a written contract between the City of Edmonton and Beverly Bus Lines or its predecessors, but that was at a time when Beverly Bus Lines and its predecessors served not only Beverly but Forest Heights, a part of the City of Edmonton. When that Forest Heights link was abandoned and the city took it over itself and the contract was allowed to lapse, and ever since that, Beverly Bus Lines has operated under a license from the Highway Traffic Board covering the highways in both Edmonton and Beverly, but with no formal contract and no written contract, insofar as I know, no specific bylaw.

MR. ROBISON: Thank you, Mr. Becker.

MR. BLACKSTOCK: Before you go on, Mr. Becker.

MR. BECKER: Yes.

MR. BLACKSTOCK: We want to get the matter of numbering. Your original brief was Exhibit number 84E. Now, this one which is headed:

"Further Brief on behalf of Beverly Bus Lines"

That will be 142E.

FURTHER BRIEF ON BEHALF OF BEVERLY BUS LINES IS ENTERED AND MARKED EXHIBIT NUMBER 142E.

MR. BLACKSTOCK: And shall we assume that everything is contained in 142 with addition as was originally in Exhibit 84?

MR. BECKER: Yes, sir, I will like to make that application.

MR. BLACKSTOCK: All right, Mr. Becker, we will have you read the brief and at a later date if we require it, your client will come for cross-examination.

MR. BECKER: Right, sir.

" Beverly Bus Lines Limited is a public carrier of passengers by bus, operating between the City of Edmonton and the Town of Beverly, and to certain points beyond.

This company has filed a short Brief and memorandum with the Commission, setting out certain facts concerning the operation of the company, its history, service, and its assets and equipment.

It is considered, however, that certain aspects of the matter should be dealt with further, and the Commission is requested to accept this Brief covering additional representations.

One other operator, Diamond Bus Lines Ltd., carries on a similar operation between Edmonton and Jasper Place, and Edmonton and the Industrial Plants to the south and east of Edmonton. It had been hoped that Beverly Bus Lines Limited and Diamond Bus Lines Ltd., could, after discussion between themselves, present joint and agreed upon proposals covering the future of their own operations and similar carriers in case of a Metropolitan Area development going forward which would include the City of Edmonton and one or more adjoining municipalities under a Metropolitan Authority. Unfortunately this has not been possible and this Brief is, therefore, presented by Beverly Bus Lines Limited. "

May I just mention this, at this moment, sir, that Mr.

MR. BECKER: (Cont.) McLeod the chief officer of Diamond Bus Lines Limited was away from the city and it has not been possible to see him, and I am satisfied that was the principal difficulty in trying to arrive at a common proposal. However, he returned a few days ago and we have had an opportunity of one or more discussions with his counsel who is here today and, I believe, that virtually the same proposals are acceptable to both.

" Beverly Bus Lines Limited and its predecessors have operated between the City of Edmonton and Beverly, and until some years ago in the City of Edmonton to Forest Heights, for approximately 20 years. The operation has been developed and carried on as a pure matter of a private enterprise and industry, and except in the case of the Forest Heights service, has operated by unwritten arrangement and agreement with the City of Edmonton and the Town of Beverly, but with express licenses from the Highway Traffic Board of the Province of Alberta to carry on such operations over the highways and routes concerned.

REVENUE

The company's revenue is in excess of $70,000.00 annually, and net earnings can reasonably be estimated at approximately $10,000.00.

ASSETS

The company's total assets are valued at $116,000.00, made up as follows:

8 Buses, Spares, Parts, Tools, Garage Equipment and Office Furniture, (after depreciation):	$50,000.00
4½ Year Garage Lease;	$16,000.00

MR. BECKER: (Cont.)

"	Undertaking and Goodwill;	$50,000.00
		$116,000.00

The undertaking and goodwill is estimated at $50,000.00 on the basis of five year net earnings. The license from the Highway Traffic Board cannot be dealt with, nor trafficed in, nor sold, but it does constitute the basis of the earning ability of the company.

FUTURE OPERATION

If any change from the present situation in the City of Edmonton and adjoining municipalities is made by way of control and government to a greater or larger extent as a Metropolitan Area, and by a Metropolitan Authority, then, and in that case, the transportation of the public by bus in the whole area will be one of the first requirements in the public interest and will need tobe settled immediately.

There are at present two privately owned and operated public passenger transportation companies, namely Beverly Bus Lines Limited and Diamond Bus Lines Ltd. operating between down town Edmonton and the adjoining municipalities to the east, to the west, and to the Industrial Area east and south-east of the City of Edmonton. Both companies are comparatively small but have rendered very useful and essential transportation service to the travelling public concerned, and Beverly Bus Lines Limited has carried out that service for a great many years, and built up a substantial investment from its point of view, and a substantial

MR. BECKER: (Cont.)

"amount of goodwill.

The City of Edmonton operates its transit service and bus system generally by electric control buses,", I am sorry, that is not what I said, I meant the trolley buses;

"gasoline and diesel buses, and has the following:-

(1) A large fleet of various types of buses;

(2) Extensive garage facilities for various types of buses;

(3) Extensive maintenance and repair facilities for buses of all types;

(4) A large number of trained maintenance and mechanical staff and bus operators.

If a Metropolitan Area were created, including the City of Edmonton, the submission of Beverly Bus Lines Limited is that the Metropolitan Authority in charge of the administration of the Metropolitan Area ought to be the authority to control and operate bus passenger transportation services to the whole area for the following reasons among others:-

(1) Using the City of Edmonton equipment and facilities, service could easily be provided to the whole area at comparatively little extra cost;

(2) Peak service and emergency requirements could much more easily be provided from the store of equipment and facilities now in the City of Edmonton.

MR. BECKER: (Cont.)

"(3) The cost of operation, maintenance and repair of the bus equipment to serve the Metropolitan Area would be disproportionately low in view of the equipment and facilities now possessed by the City of Edmonton.

(4) The bus operations for the total area should and can be better co-ordinated and controlled under the authority of one operation.

(5) The cost to the public should in all cases be less than if provided by a private operator in such a Metropolitan Area.

For the above reasons it is submitted it would be in the public interest that bus passenger transportation services in a Metropolitan Area should be provided, controlled and operated by the Metropolitan Authority.

DISPOSAL OF EXISTING BUS PASSENGER SERVICES.

If the above recommendation were carried out it would mean that Beverly Bus Lines Limited and similar operators would have to cease operations. In view of the service they have provided, this should be done on an orderly basis, and they should be compensated for the loss of their undertaking and assets, which should be taken over by the Metropolitan Authority.

The following is suggested as a basis for the ceasing of operations by Beverly Bus Lines Limited and similar operators:-

(1) The Metropolitan Authority should be entitled

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MR. BECKER: (Cont.)

" to give notice to the private operator to cease to operate within the Metropolitan Area within a limited time;

(2) Within the time above limited the Metropolitan Authority and the private operator should be entitled to try to make an agreement for the purchase by the Metropolitan Authority of the assets and undertaking of the private operator, and failing an agreement, such assets and undertaking should vest in the Metropolitan Authority on termination of the time limit;

(3) If no agreement can be concluded between the Metropolitan Authority and the private operator, the Metropolitan Authority should be required to pay compensation for the assets and undertaking of the private operator, based upon the value to the owner of the assets and undertaking concerned, and in case of dispute or disagreement, the amount of the compensation to be settled by arbitration.

The above procedure should not prevent a temporary arrangement between the Metropolitan Authority and the private operator to carry on the services described under a mutually satisfactory agreement.

All of which is submitted on behalf of Beverly Bus Lines Limited."

Generally, Mr. Chairman, Beverly Bus Lines Limited after considerable thought and worry about its future has come to the conclusion that if there is a larger area

MR. BECKER: (Cont.) such as a Metropolitan area under discussion, it would have to be controlled by an authority whom we have called a Metropolitan Authority. That if there were such a larger area, it probably wouldn't be possible for a private operator to exist within that area along side or in competition with services run by the municipalities, and particularly by the larger one, the City of Edmonton, and if that is the case, then it would seem that the only alternative is that the Metropolitan Authorities should be fastened with the duty as well as the privilege of supplying transportation to the people and, therefore, to take over the existing operators who have up until now in the best offaith carried on those essential services and have carried on that service on the best of terms with the City of Edmonton, but there isn't any doubt that it has always been just marginal so far as difficulties and conflicts between them are concerned. There is the same pool of traffic that they deal with and the same point which Mr. Davies has mentioned, has come up on several occasions. All this business of the tremendous number of industrial plants and establishments just outside the city demanding bus transportation and cheap transportation from the City of Edmonton.

That is the first cry; the City of Edmonton can't help but feel some duty in regard to a matter like that and tries to provide it and promptly runs into conflict with the private operator. The City of Edmonton wants to provide it at a price very much the same as it charges inside the city. The private operator can't do it, and neither could the city if it was just running the same

MR. BECKER: (Cont.) single operation. So that that point has come up, and we think will come up endlessly if the situation for conflict and competition remains.

We think that with the tremendous facilities and pool of equipment and personnel that the city has, it ought to be able to provide good services to the people; it ought to be able to provide it at a lower price than a private operator can. Mind you, it probably won't, but it ought to be able to, theoretically.

That is our reason for this submission, Mr. Chairman.

Q MR. ROBISON: Mr. Becker, just for the purposes of the record, in this urban area that you see on the map there.

MR. BECKER: Yes, sir.

MR. ROBISON: Consider that a pro forma area. There are three, I take it, three operators, namely the City of Edmonton; Beverly Bus Lines, and Diamond. Are there any others?

MR. BECKER: Not that I know of.

MR. ROBISON: Then that means that you have got just the City of Edmonton and two private operators.

MR. BECKER: Yes, sir.

MR. ROBISON: Thank you.

MR. BLACKSTOCK: Mr. Becker, do you wish Exhibit 84 to remain as part of the record or are you withdrawing 84 and substituting 142 for it?

MR. BECKER: I don't quite remember if the additional one covers all the points made in 84E. I believe it does. If it does, I would rather withdraw the first one and substitute the present one. I notice that 84E, the short brief filed previously covers matters of the schedule perhaps, the service given; the passengers carried. I

MR. BECKER: (Cont.) don't know if that is of any importance to the Commission or not?

MR. BLACKSTOCK: Was it read into the record, Mr. Becker, when it was filed originally?

MR. BECKER: I believe it was.

MR. BLACKSTOCK: Well, if so, you had better leave it.

MR. BECKER: All right, it won't do any harm to leave it, I take it, all right, thanks.

THE CHAIRMAN: Thank you, Mr. Becker.

Q MR. DAVIES: Just before you go, Mr. Becker, what is the fare, do you know?

MR. BECKER: The Beverly Bus Lines fare?

MR. DAVIES: Yes.

MR. BECKER: First, the question is an awkward one. I think it is three for a quarter, that is, to Beverly. This operator operates not only to Beverly but beyond to Clover Bar, that is across the new bridge near the Canadian Chemical Plant and about a quarter of a mile beyond.

MR. ROBISON: Mr. Becker, could you answer this question:

MR. MOFFAT: I wonder if I might interrupt for a second, sir. The representative of Diamond Lines is here and he informs me that the quotation as to the fare is not correct.

MR. BECKER: It's quite possible, I'm sorry, I don't know.

MR. MOFFAT: I wish you would clarify it on the record immediately.

MR. McLEOD: Did Mr. Becker say it was two for a quarter?

MR. BECKER: Three.

MR. McLEOD: No, it's cash fare twenty cents, and three for a quarter.

MR. BECKER: I would like to correct that then, Mr. Davies.

MR. McLEOD: Three for forty cents or eight for a dollar.

MR. BECKER: Three for forty cents, eight for a dollar.

MR. ROBISON: I assume, Mr. Becker, that your client is not permitted to pick up traffic within the city limits and drop them off in the city limits.

MR. BECKER: No, sir, that's right. It's theoretically what they call closed doors within the city. The city does permit them to pick them up at one central point in the city and they can drop those passengers outside the city and it can pick them up outside the city and bring them into town. However, on the return trip, that is, picking them up in Beverly, it can drop those passengers inside the City of Edmonton anywhere.

MR. BLACKSTOCK: Diamond Bus Lines.

GORDON C. McLEOD, having first been duly sworn, testified as follows:

MR. BLACKSTOCK: Mr. McLeod, your original brief was number 85. Now, I don't remember whether it was read into the record or not?

A This is the final brief.

MR. BLACKSTOCK: Yes, it will be 143E

BRIEF OF DIAMOND BUS LINES LIMITED IS ENTERED AND MARKED EXHIBIT NUMBER 143E.

MR. BLACKSTOCK: All right, Mr. McLeod, will you proceed to read your brief ?

A Mr. Chairman and Gentlemen, Diamond Bus Lines wish to inform the Royal Commission that we adopt the policy that the Beverly Bus Lines have just put forth to you.

We have a brief of our own here which I would like to read to you.

MR. BLACKSTOCK: Yes.

A If I may?

MR. BLACKSTOCK: Yes, proceed to read it.

A "The Royal Commission on Metropolitan Development of Calgary and Edmonton,
Room 215,
Legislative Building,
EDMONTON, Alberta.

Dear Sirs:

On 12th November 1954 our Company submitted a brief outlining in general terms details of the operations of the Company's various bus services to certain areas adjacent to the City of Edmonton. This brief is entered as your Exhibit No. 85 E.

This amended brief is submitted to amplify and detail the Company's position.

Diamond Bus Lines commenced operating bus services to areas adjacent to the City of Edmonton approximately ten years ago and operated the services continually until 30th April 1953, at which time Diamond Bus Lines Ltd. was incorporated and carried on the operations.

A (Cont.)

" Gordon C. McLeod entered the transportation business in Val D'Or, in the Province of Quebec in 1935 and carried on the operation of his interests there until 1949 at which time he disposed of that business. In 1949 Mr. McLeod made three trips to Alberta to investigate the possibilities of entering the transportation business in this Province and became interested in entering business in this Province and in particular the business of bus operation with which he was familiar and which had been largely developed by private enterprise.

On 1st November 1950, Mr. McLeod purchased the business known as Diamond Bus Lines from Cecil Bradshaw of Edmonton, the purchase price being $60,000.00 of which $27,204.89 was for the operating assets, and the balance for goodwill.

Business was carried on by Mr. McLeod under the name and style of Diamond Bus Lines until 30th April 1953, when Diamond Bus Lines Ltd. was incorporated, with Mr. McLeod and his wife being the sole shareholders. All assets of Diamond Bus Lines were transferred to Diamond Bus Lines Ltd. for the consideration of $90,478.34 with the limited company assuming all the liabilities of the unincorporated business.

On the 12th day of February 1953, Mr. McLeod purchased a building and property located at 10530 - 116th Street in Edmonton, for use as a bus depot and garage. The purchase price of those premises was $33,000.00 and since that time improvements have been

A (Cont.)

"affected on the premises in the sum of $7,057.94. The bus depot and garage were purchased by Mr. McLeod for the purposes of the bus line.

Mr. McLeod has taken no salary nor profits from either Diamond Bus Lines or Diamond Bus Lines Ltd. but instead has utilized all profits to increase the assets of the Company.

You may be interested in the following details of the financial position of the business, which are as follows:-

	Profit before Depreciation	Depreciation	Profit for Inc. Tax.
Year ended 31 Oct 1951	10,201.33	10,201.33	Nil
Year ended 31 Oct 1952	19,615.21	13,397.58	6,217.63
6 mos. per. to 30 Apr 53	12,971.34	6,687.18	6,284.16
Year ended 30 Apr 1954	17,081.21	17,081.21	Nil
	$ 59,869.09	$47,367.30	$12,501.79

It will be noted that no profit is showing during the period for the year ending 30th April 1954.

During January and February of 1954 the City of Edmonton extended its transit system to the industrial area east of the City of Edmonton along Highway No. 16 so that it duplicated the services given by Diamond Bus Lines Ltd. which caused a substantial drop in the Company's operating revenue for those months, and reflected in the profits for the year.

A (Cont.)

" The following schedule describes the operating assets of the Company as of November 30th 1954. It will be noted that in several instances the Company valuation of certain operating equipment exceeds the purchase price. The reason for this is that Diamond Bus Lines Ltd., after purchasing various bus units rebuilt the requipment to a standard necessary for its operations. The Company's valuation of the buses as shown hereunder is the Company's best estimate of the actual worth of the buses at the present time. "

We have listed all the units.

MR. BLACKSTOCK: You don't require to read that, Mr. McLeod.

A Okay.

MR. BLACKSTOCK: You can put it in the record, Mr. Reporter.

A "

	Date of Purchase	Original Cost	Company Valuation
1943 Internat'l 29 Pass.	1 Nov 50	1,017.19	2,500.00
1950 Prevost 41 Pass.	1 Nov 50	9,842.18	15,000.00
1950 Prevost 41 Pass.	1 Nov 50	10,806.60	15,000.00
1941 White 36 Pass.	10 Apr 51	2,750.00	4,500.00
1941 White 36 Pass.	10 Apr 51	2,750.00	3,500.00
1950 Prevost 33 Pass.	1 Oct 51	8,000.00	12,000.00
1944 Internat'l 37 Pass.	4 Apr 52	1,950.00	3,000.00
1944 Internat'l 37 Pass.	23 Apr 52	6,734.90	5,000.00
1947 Fitzjohn 28 Pass.	1 Jun 52	5,000.00	5,000.00
1946 I.H.C.Pickup	4 Jun 52	750.00	500.00
1952 Chrysler Sedan	8 Jul 52	3,663.00	2,200.00

A (Cont.)

		Date of Purchase	Original Cost	Company Valuation
"1952 Chevrolet	41 Pass.	19 Dec 52	8,598.85	6,000.00
1945 Dodge	33 Pass.	28 Aug 52	1,700.00	3,000.00
1953 Prevost	41 Pass.	18 Nov 53	19,522.73	18,300.00
1946 General M.	36 Pass.	5 May 54	4,000.00	8,000.00
1946 General M.	36 Pass.	5 May 54	4,000.00	8,000.00
			$91,085.45	"111,500.00

The bus depot and garage purchased by Mr. McLeod for the purposes of the Company are detailed as follows:

	Date of Purchase	Original Cost	Company Valuation
Bus Depot, Land & Bldg.	12 Feb 53	40,057.94	50,000.00
Shop Equipment	Various	948.90	1,000.00
Furniture & Fixtures	Various	1,592.34	1,345.00
		$ 42,599.18	$52,345.00 "

MR. ROBISON: Excuse me for interrupting you, Mr. McLeod, "Bus Depot, land & Building," company valuation $50,000.00, has the Company ever had that property appraised?

A No, we never, we just put an estimate on the value.

" Mr. McLeod's best estimate of the market value of the land and buildings of the bus depot and garage is $50,000.00 and is of the opinion that the value has increased because of the further development of that section of the City of Edmonton in which the bus depot is located.

The following comparative statistics between 1950 and 1954 will illustrate how the Company's operations and assets have increased in this short period.

	1950	1954
Buses operated	6	14
Gross income 1950 to 1951	$75,753.00	
Gross income 1953 to 1954		$132,633.00
Number of daily trips on Jasper Place route	20	60
Population of Jasper Place	7,200	13,600

A (Cont.)

" In view of the above impressive increases over the short period of four years and the anticipated prospects for continued gain, it is felt by the Company that a conservative valuation of the present value of the anticipated profits to the Company would be at least $60,000.00 if not more.

The Company operates the following services at the present time:-

Bus service from various points in the Town of Jasper Place to downtown Edmonton.

Contract bus services to the Jasper Place Schools.

Scheduled services to the industrial areas east of the City of Edmonton along Main Provincial Highway No. 16 and special charter services for companies along that route.

The following major industries have been established along Highway No. 16 to the east of the City of Edmonton and are serviced by the Company's bus lines.

Canadian Industries Limited Plant
Building Products Plant
Imperial Oil Refinery
McColl Frontenac Refinery
Calgary Power Ltd. Sub-station
Dominion Oxygen Plant
Trans-Mountain Pipeline Plant
Interprovincial Pipeline Plant
British-American Refinery
Burns & Dutton Construction Plant

It is anticipated that other industries will be locating in the industrial area along Highway No. 16

A (Cont.)

"and will further increase the Company's passenger potential in that area.

The Company has a contract with the Municipal District of Strathcona No. 83 whereby the Municipal District guarantees income to the Company of 50¢ per operating mile and has been paying the Company 50¢ per operating mile less the amount of the actual fares collected by the Company. This subsidy of course relates only to the bus trips made to service the east Edmonton industrial area and the subsidy has been received monthly since 31st March 1954.

In the event that the boundaries of the City of Edmonton were to be extended to include what is presently the Town of Jasper Place and the industrial area located along Highway No. 16 to the east of the City of Edmonton, the City of Edmonton Transit System would in all probability provide transportation to those areas now served by the Company. The Company realizes that your recommendations regarding the extension of the boundaries of the City of Edmonton will be based upon broad questions of public policy involved, and not merely upon the Company's imperilled position caused by such an extension. Nevertheless, the Company submits that if you should recommend such an extension of the boundaries of the City of Edmonton that would affect the Company's business operations, you should also recommend that it should be made a condition of such an extension that the City of Edmonton purchase the Company's assets at a fair

A (Cont.)

"market price and also compensate the Company for the loss of its business operations. It should be remembered that the motor buses owned by the Company are of no value unless the Company has profitable franchises on which to operate the buses.

It is also submitted that you should recommend that the City of Edmonton be required to provide employment for the Company's employees who would be thrown out of work should the Edmonton Transit System take over the bus routes now operated by the Company.

All of which is respectfully submitted,

DIAMOND BUS LINES LTD. "

Q MR. ROBISON: How many employees, just at that point?

A Roughly 20.

Q MR. HAYES: What would their age group be?

A Oh, it varies, mostly young men from the age of, between the age of 25 and 40.

Q MR. ROBISON: Are you one of the 20, Mr. McLeod?

A I wish I was, I am 43.

MR. MOFFAT: Just one or two questions, Mr. Chairman.

MR. MOFFAT EXAMINES THE WITNESS:

Q At the top of page 6 you say this in the brief, if the boundaries are extended, and then beginning the quote:

"you should also recommend that it should be made a condition of such an extension that the City of Edmonton purchase the Company's assets."

In the Brief of Beverly Bus Lines the proposal was that the Metropolitan Authority should be entitled to give

Q (Cont.) notice that it was going to take over the assets. I wondered if it was your intention --

MR. BLACKSTOCK: To give notice to stop operating.

Q MR. MOFFAT: Yes, and then they would arrange to take over. In the one case it is the Metropolitan Authority would be entitled to do something about taking over. Apparently you are asking a firm decision that they should take it over. Did you intend that distinction or did you not?

A Well, I feel that they should take it over. That would be my honest feeling because I came into this part of the country and invested money and I feel that they should take it over.

Q But, would you have any objection to leaving it in terms that would leave room for them to decide, in other words, let you carry on?

A I don't think that we would be interested in carrying on once an amalgamation came about, or, annexation came about.

Q If the decision of the new council was that the community interest would be best served by letting you carry on say for two or three years, would you object to making at least that much flexibility in the arrangement?

A Well, that would have to be studied, sir, I don't think I would like to commit myself on that right at the moment.

MR. ROBISON: I would like to ask Mr. Brownlee if, referring to section 426 which I meant to refer to when I was talking to Mr. Becker; can you give us any information as to what may have been done in Strathcona with regard to a designation of the district by the Minister as a semi urban municipal district and may by bylaw

MR. ROBISON: (Cont.) enter into a contract with any person. Now, they apparently have entered into a contract with these people.

MR. BROWNLEE: Sir, I haven't got the particulars at the moment as to the dates of the various steps, but I feel I can assure you, sir, that the various steps were followed, that is, the municipality was declared an urban area, contract drawn, and bylaw passed and approved by the Minister of Municipal Affairs.

MR. ROBISON: That's all I want, Mr. Brownlee, thank you.

A Mr. Chairman, I made one slip, I said that a contract had been drawn. It is being drawn, it has not been. It is agreed upon verbally, but it hasn't been signed by myself as yet, and we were just in the -- going to sign it, and it has been drawn up already by Mr. Brownlee, I believe, by the lawyers of the municipal district.

MR. ROBISON QUESTIONS THE WITNESS:

Q Mr. McLeod, could you give this Commission some idea as to what competition the city is providing for your Company?

A Competition?

Q Yes, do you run along the same highway out there?

A We do, yes, yes. Once we reach 149 Street, that's west of the city here, at the west side of the city, well, that's where out franchise begins, in Jasper Place. Now, the City of Edmonton can take passengers right up to 147 Street.

Q I am thinking of the east side of the city though.

A Oh, the east side of the city, well, there was some competition between the two, the City of Edmonton and

A (Cont.) ourselves back last January and February.

Q Am I correct in believing that your brief said that the city was running bus lines out there now?

A No, they did.

Q They did.

A They did last January and February, and they were doing that previous to that.

Q But you are doing it all now?

A Yes.

MR. ROBISON: I see, thank you.

Q MR. DAVIES: Mr. McLeod, what are your rates?

A Our rates out there?

Q MR. DAVIES: Yes, have you one set of rates for the west and one for the east?

A Yes.

Q MR. DAVIES: Would you mind giving the Commission those?

A For the west, that's Jasper Place, our rates are, cash 20 cents; three tickets for 40 cents and eight for a dollar. We have the same rates as Beverly have at the present time.

Q MR. DAVIES: In the east?

A East of the city we operate on a, like, for the refinery area or for the municipal district we have a rate of 50 cents a mile which is paid by the municipal district, 50 cents a bus-mile. Now then, of course the passengers pay a fare when they get on the bus.

Q MR. DAVIES: Would you mind giving us that fare?

A 10 cents each way.

Q MR. DAVIES: From where to where?

A From, well, on the south side it would be from 109 Street and Whyte Avenue, and from the north side, the Union Bus Depot.

Q MR. ROBISON: That is a subsidy of 50 cents a mile, is that what it is supposed to be.

A Well, they pay the difference between the fare collected. We make a charge of 50 cents a mile and credit the fares collected to them, so we have a guarantee of 50 cents a mile.

MR. DAVIES EXAMINES THE WITNESS:

Q The Highway Traffic Board fixed the 10 cent fare?

A No, I think it was more or less mutually agreed upon.

Q Of course, your fares are approved by the Highway Traffic Board?

A Yes.

Q So the 10 cent fare to the refinery area is approved by the Highway Traffic Board?

A It is, sir.

Q And the Highway Traffic Board knows of the subsidy arrangement, do they?

A Yes, they do.

Q I want to turn to page two of your Brief. In respect to the garage property at 10530-116 Street, did you purchase this outright or have you it under an agreement for sale?

A It is purchased outright, though we do have a lien against it.

Q And is that title in your name or is your wife mixed up in that too?

A In my name.

Q What is the size of the garage?

A 50 by 126, I believe .

Q That means one lot, does it?

A That's right.

Q And how many buses will your garage property house?

A Oh, we can get fourteen in.

Q Is that a brick building?

A Cement block building.

Q One storey?

A That's right.

Q Comparatively new building?

A That's right.

Q What was it formerly occupied as?

A It was never occupied as for any other purpose.

Q Was it built for you?

A Not exactly, well, it wasn't built for us, it was built on speculation, I believe, with the idea of selling.

Q One step further: is there a written lease in effect between yourself as owner of that garage property and the company?

A No, there isn't.

Q But there is a monthly rental paid?

A Yes.

Q What is the annual rental?

A It is at the present time, I believe it is two fifty a month. I would have to look it up in our records, I'm not too sure.

In my name.

Q What is the size of the [illegible]

A 50 by 125, I believe.

Q And how many [illegible] property [illegible]

Oh, [illegible] fourteen in.

Q Is the [illegible] building?

A [illegible] building.

Q One store?

A That's right.

Q Comparatively [illegible]

A That's right.

Q What [illegible] formerly occupied [illegible]

A It was never occupied as for any other purpose.

Q [illegible] built [illegible]

A Not exactly, [illegible] it wasn't built for us, it was built [illegible] tion, I believe, with the idea of

Q One [illegible] Further, is there a written lease in effect between yourself [illegible] owner of that [illegible] and the company?

A No, there isn't [illegible]

Q But there [illegible]

Q Now, although you are not withdrawing any salary or profits from the company in accordance with page 2, I presume that you are withdrawing, that you are receiving payments on your selling price from the company on capital account, are you?

A No, I have certain assets back east yet which I haven't disposed of which I'm still getting revenue from.

Q Well, the company still owes you on capital account on the purchase price of the business, don't they?

A Yes.

Q Am I correct in interpreting what you have said to mean that you are letting that debt that the company owes you on the balance of the purchase price stand and have not been receiving any payments on that?

A That's right.

Q Is that right?

A That's right.

Q So that actually the only monies that you are withdrawing from the company of any kind, whether capital or income monies, is a rental for the garage property which you personally own?

A Yes.

Q Is that right?

A That's right.

Q In respect to page 4 of your Brief where you say, for example, gross income 1950 to 1951, am I to imply from this that your financial year ends at a time other than at the end of the calendar year, or, let me put it this way: what does that mean, 1950 to 1951? When does it start in 1950 and when does it end in 1951?

A When I bought out Diamond Bus Lines, I bought it out at the end of November. Our year began at the end of November, the 1st of December.

MR. MOFFAT: Page 2 of the brief has those dates on it, sir.

MR. BLACKSTOCK: They changed their fiscal year from October to April.

MR. MOFFAT: Yes, on page 2 of the brief shows when the change was.

Q MR. DAVIES: Would you mind telling me, when does the gross income from 1950 to 1951, what period is that?

A That would be from the end of October, I believe it's from the end of October to the, 1950, to the end of October,1951.

Q And gross income 1953 to 1954, can you tell me what period that is from and to please?

A I believe it's from the end of 1953, April, 1953 to April,1954, but I'm not too sure.

Q That's what Commissioner Blackstock suggests according to your statement?

A We incorporated at the end of April, '53, I believe. Now, I am just, I'm not too sure of these months on that.

Q Now, further down on page 4, among the services you operate it says:

"Contract bus services to the Jasper Place schools."

Would you mind just outlining in a few words what that consists of?

A Well, you see, they supply bus service for school children out there. There is no charge to the school

A (Cont.) children, but the school board pays me per trip for those operations.

Q That's one trip in the morning and one back?

A At the present that's all, yes.

Q If the town site of Campbellton were established would you anticipate that that would adversely affect the profit prospects of your company by reason of the number of workers of the refinery area becoming established in the immediate area?

A I would think that it would improve the profits of our company because I believe that we would have the possibility of operating in that area and also from the City of Edmonton.

Q To that area? That's all, Mr. Chairman.

MR. BLACKSTOCK EXAMINES THE WITNESS:

Q You are recovering your capital quite quickly, are you not, Mr. McLeod?

A Did you say I am recovering it?

Q Yes, you have charged up forty seven thousand odd dollars to depreciation in 2½ years. Depreciation, of course, in that sense is recovery of capital, isn't it?

A Yes.

Q Recapture of capital?

A No, we just, we set that figure, we feel that those buses are worth that to our business.

Q Oh, yes, I'm not quarreling with you, I'm not quarreling with you at all, Mr. McLeod, I am merely trying to get the picture, that is, that you are not drawing wages but you are recovering your capital as quickly as you can?

A Yes, that's right.

MR. BLACKSTOCK: Any other questions, Mr. Brownlee?

Q MR. BROWNLEE: Mr. McLeod, I'm not sure of the date, but I believe it was in 1953 that the city transit system made an application to the Highway Traffic Board for the right by way of franchise to go out into the industrial area where you had to that time been operating your bus service?

A That's right.

Q MR. BROWNLEE: And you appeared before the Highway Traffic Board on that application and opposed the city's position?

A That's correct.

Q MR. BROWNLEE: And the Highway Traffic Board declined to give the city transit system the franchise it requested?

A That's right.

MR. BLACKSTOCK: Are there any further questions?

MR. BROWNLEE: No, thank you, sir.

MR. BLACKSTOCK: That's all, Mr. McLeod, thank you very much.

(The witness stands down.)

MR. BLACKSTOCK: Well now, there is nothing that we can go on with today . Now, your witness is going to be here tomorrow, Mr. Brownlee?

MR. BROWNLEE: Yes, Mr. Chairman.

MR. BLACKSTOCK: Can you give us any idea how long his evidence might take?

MR. BROWNLEE: Well, I would think, sir, that he would probably take a good part of the day on direct, the reading of the brief and direct examination. I am afraid I am not too good at estimations though.

MR. BLACKSTOCK: He has a prepared brief?

MR. BROWNLEE: Well, we will have a memorandum, I believe, ready tomorrow morning.

MR. HARRIES: It is being mimeographed this afternoon, sir.

MR. BLACKSTOCK: I want to see whether we can fit in the Town of Fort Saskatchewan if at all possible.

MR. MOFFAT: I wonder if it would be in order for me to ask if this brief is being mimeographed, if we could get a copy of it tonight?

MR. HARRIES: I was hoping, Mr. Moffat, that I would be able to deliver copies to some of the Commissioners that were available and to yourself. It should be done about six o'clock. We will do our best to get them to you as soon as it is finished.

MR. ROBISON: I will be available at 527 Macdonald Hotel.

MR. DAVIES: How many pages are there in this brief?

MR. HARRIES: I think it will run about 14 or 15.

MR. MACDONALD: If the Town of Fort Saskatchewan is ready, sir, and if it pleases the Commission, if they were taken tomorrow morning, it would give us a little time in which to digest the learned brief of our friends from the M.D. of Strathcona.

MR. BLACKSTOCK: I think we will have to wait until tomorrow morning to see what develops. We can do nothing until tomorrow morning, and we will now adjourn until 9:45 tomorrow unless there is something to come up? -- No.

(At this point the Commission stood adjourned until 9:45 a.m., Tuesday, January 11th, A.D.1955.)

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